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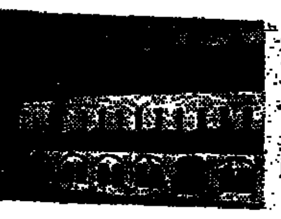
Weekend FT
Section 2



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FINANCIAL TIMES
Europe's Business Newspaper
WEEKEND DECEMBER 17/DECEMBER 18 1994
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Russian general refuses to fight against Chechens

Growing opposition among senior Russian military officers to the invasion of Chechnya reached the frontline when General Ivan Babichev, commander of one of the three divisions sent into the breakaway republic, refused to continue fighting. His statement, made to a crowd of Chechen villagers, directly flouted the orders of President Boris Yeltsin, his commander-in-chief. It is the most damaging blow to the Russian administration since the Chechen crisis began.

Sony and Philips, two of the world's largest consumer electronics groups, fired the opening salvo in the battle to specify the format for the next generation of compact discs, which will play films as well as music. Page 26

General Electric, US conglomerate, is to buy back up to $5bn (£3.2bn) of its shares over the next two years, taking total buy-backs announced this year by US corporations to a record $65bn, according to Wall Street firm Securities Data. Page 11

Sabotage raises air safety fears: Worries about air safety in the US were heightened when it emerged that Boeing 747 jumbo jets operated by Tower Air, which flys daily to Europe and Israel, had been sabotaged five times last month. Page 26

Clinton's press secretary to resign:

Dee Dee Myers, the first woman to serve as White House press secretary, said she would resign at the end of the year. "It is time for me to move on," Myers said, adding that she had received several job offers. Myers' decision to leave the White House follows a failed attempt by chief of staff Leon Panetta earlier this year to replace her as part of a staff overhaul.
White House tackles Republicans on tax, Page 3

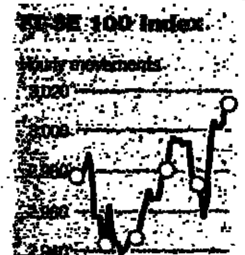
Merger collapse: Recriminations broke out after the collapse of merger talks between the investment banks Morgan Stanley and S.G. Warburg. The dispute emerged as Warburg insisted it did not intend to merge with another bank. Page 26

Steel price-fixing probe: The European Commission is investigating the activities of at least eight European steel companies, because it suspects they are running a price-fixing cartel in heavy duty steel tubes. Page 2

Queens Moat Houses unveiled details of a £1.3bn rescue plan, almost two years after its shares were suspended, which could leave shareholders with 40 per cent of the heavily-indebted hotels group. Page 10

Eurotunnel sets fares: Car drivers using the Channel tunnel will pay £49 for a day return when services start on Thursday. Page 5; Lex, Page 26

Footsie rallies strongly above 3,000:



Source: Reuter

The FT-SE 100 index, which hit a five-month low at the start of the week, rallied sharply to close above the 3,000 level. The futures market provided the driving force, with a buoyant early showing by Wall Street adding to the positive tone. The FT-SE 100 moved in a 60-point arc, falling 20 points at the opening before climbing to finish at 3,013.6. Over the week the index was 36.3, or 1.2 per cent, higher. Page 23

US halts trade talks: The US has suspended talks with China over copyright infringements, risking a serious rupture that could further complicate Beijing's negotiations to enter the General Agreement on Tariffs and Trade. Page 4

Plan to clarify society membership: Everyone who puts money into a building society would become a member of that society under plans drawn up by the UK government to clarify the relationship between societies and their savers. Page 6; Lex, Page 26

Accelerator wins go-ahead: European states have given the go-ahead for a $2bn (£1.3bn) particle accelerator. The accelerator will fire proton beams around a 27km tunnel and smash them together to recreate conditions one millionth of a millionth of a second after the creation of the universe.

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Saatchi forced to stand down as chairman

By Robert Peston

Mr Maurice Saatchi was last night forced to stand down as chairman of Saatchi & Saatchi, the advertising group he founded in 1970, after the board succumbed to pressure from a group of US shareholders.

However, at 7.30pm he was still considering an offer to stay on as chairman of one of the group's advertising subsidiaries, Saatchi & Saatchi Advertising Worldwide.

The board yesterday formally recommended that the holding company drop "Saatchi" from its masthead. It will be retained only by the advertising subsidiary.

The board was reluctant to take the decision but was told by its financial and legal advisers – there were 12 lawyers in the boardroom – that they had no choice in the face of shareholder pressure.

US shareholders controlling 30 per cent of the shares, led by Harris Associates of Chicago, have been campaigning for Mr Saatchi's removal, because of their anger at a proposal that he receive a £5m option package.

They were also furious at Mr Saatchi's opposition to dropping the "Saatchi" name from the holding company masthead.

A decision was also taken at the board meeting, at the group's headquarters in London's Charlotte Street, for a new option scheme to be put in place to reward company directors and senior executives.

Unlike the "super option" scheme, which was criticised by the shareholders, the new plan will meet the guidelines of the Association of British Insurers, the investment institution lobby group.

The board was told by its advisers that it had no option after soundings were taken on Thursday of UK investment institutions, led by unit trust group, M&G, which owns 5 per cent. The informal poll, made by M&G, showed that shareholders controlling a further 28 per cent would either support a motion to oust Mr Saatchi or abstain.

Because shareholders owning more than half the group were showing no support for Mr Saatchi, the company's merchant bank, S.G. Warburg, was forced to tell the board that it could see little alternative to Mr Saatchi's departure.

Mr Saatchi had during the day

Continued on Page 26

Pension law plans fail to guarantee security say critics

By Norma Cohen and James Blitz

Occupational pensions in Britain are to be regulated for the first time under a sweeping new bill introduced in the House of Lords yesterday. But lack of detail in controversial areas has led to criticism from pensions experts and some Labour MPs.

The legislation comes three years after the UK was shocked by revelations that more than £440m had gone missing from pension schemes formerly controlled by the late Mr Robert Maxwell.

The legislation is intended to improve the security of each worker's pension, raise the age at which women are allowed to draw state pension benefits, and restructure the tax incentives offered to those who take out personal pensions.

The main elements of the bill include the creation of a pensions regulator, a minimum solvency requirement for occupational defined-benefit schemes, and a compensation scheme for benefits lost through fraud. It also gives scheme members the right to elect some of the trustees who administer the scheme.

However, on some of the most contentious issues, the bill has scant detail, raising questions about whether it has sufficient scope and strength to protect workers.

In particular, the bill fails to specify the circumstances under which employers may avoid allowing members of occupational pension schemes to appoint their own representatives as trustees.

Neither does it spell out how the minimum solvency requirement – the level of assets a scheme must hold in relation to its liabilities – is to be calculated, nor the time alloted to an employer to make good a shortfall. At the moment, there is no minimum solvency requirement for schemes.

Main elements of the pensions bill ....Page 6

The Department of Social Security said it intended to address any legislative gaps through subsidiary regulations. These could not be amended during the bill's passage and would probably not be debated in parliament.

Mr Donald Dewar, Labour's social security spokesman, said yesterday that the bill was not detailed enough. "In many important areas, the bill is no more than a legislative skeleton and Labour's job will be to flesh out the detail during its progress," he said. "Government by regulation has become a disease."

The government can therefore expect protracted challenges from the opposition and from within the pensions industry over several elements of the bill.

The Institute and Faculty of Actuaries, the professional body for those who must provide certificates of scheme solvency under the new law, has been among the first to attack the proposals. Mr Nigel O'Sullivan, partner at consulting actuaries Bacon and Woodrow, said: "We think this bill will provide the illusion of security for pension scheme members."

Employers have argued that alternative solvency requirements would cost them more than the £5bn over 12 years envisaged in the bill, and discourage them from providing pensions. Employers' groups had lobbied against even the tougher solvency requirements proposed in a white paper in June.

Major appeals for party unity

John Major yesterday described the Conservative defeat in Thursday's Dudley West by-election as "a very poor result" and called for party unity. The prime minister, pictured in his Huntingdon constituency, made his appeal as senior ministers and rebel backbenchers disputed the blame for the Tory candidate's disastrous performance. Labour won the seat with a 29 per cent swing against the Tories Report, Page 5; Stranded by a Labour tide, Page 9 Picture: PA

Cabinet will seek City advice on defusing executive pay row

By Kevin Brown,
Political Correspondent

The cabinet is to set up a committee of City professionals to advise on plans to defuse growing political criticism of executive salaries by forcing public companies to seek shareholder approval at annual meetings.

The plans, prompted by concern about salary rises in the privatised utilities, would make executive awards subject to affirmative resolution, dramatically toughening shareholders' rarely used powers to question directors.

Detailed proposals were drawn up by Trade and Industry Department and Treasury officials for the cabinet's industry and consumer affairs committee after Mr John Major condemned "unjustified" increases in the Commons.

However, the committee has decided that the proposals are too complex to proceed further without detailed advice from a wide range of City professionals.

Ministers are expected to write shortly to the Stock Exchange, the Association of British Insurers and the National Association of Pension Fund Managers asking for nominations for the committee to consider the proposals.

Officials said other organisations, such as the Institute of Directors, might also be included on a list of City institutions being drawn up for Mr Michael Heseltine, the trade and industry secretary. The committee is expected to report to Mr Heseltine early next year.

Mr Heseltine is understood to oppose formal legal changes in shareholder powers, which he believes would threaten the competitiveness of UK companies by making it difficult to recruit top executives from overseas.

However, other senior ministers believe action to increase shareholders' powers would help to neutralise Labour attacks on the Conservatives as the "party of privilege".

Mr Major and Mr Kenneth Clarke, the chancellor, were deeply angered by a 75 per cent pay award to Mr Cedric Brown, chief executive of British Gas, which was followed by cuts in wages for junior staff.

In a further indication of cabinet irritation, the British Gas strategy was roundly condemned yesterday by Mr John Redwood, Welsh secretary, who is one of the cabinet's leading advocates of free markets.

Running a large public company was "a privilege as well as a responsibility", Mr Redwood said in a statement. "If you wish to lead a cost-cutting drive, there should be some effort to control costs at the top as well. A good officer does not expect his men to suffer privations or dangers in action that he himself would not face."

Mr Redwood failed to win support from the industry committee to consider changing the law to allow regulators of privatised utilities to overrule boardroom decisions on salaries.

Deal over RAF cargo aircraft averts cabinet rift

By James Blitz and Andrew Baxter

The UK government yesterday averted a damaging split between two cabinet ministers with a compromise deal on new transport aircraft for the Royal Air Force.

The Ministry of Defence ended months of speculation by announcing an order for 25 Hercules aircraft from Lockheed of the US.

But in a victory for Mr Michael Heseltine, the trade and industry secretary, the MoD also said Britain would rejoin the European Future Large Aircraft (FLA) programme, which the government left in 1989.

The compromise deal, announced by Mr Malcolm Rifkind, the defence secretary, resolved his apparent disagreement with the trade secretary over whether to buy from Europe or the US. Tory MPs had feared that the dispute had similarities with the Westland affair, which led to Mr Heseltine's resignation from the cabinet in 1986.

Mr Rifkind welcomed the purchase of the updated Hercules, replacing older models of the same aircraft, in a contract worth £1bn, because it would ensure that the MoD met its operational requirements "in the most cost-effective way".

But the new commitment to the European programme – which contains a tentative offer to buy up to 50 FLA – met Mr Heseltine's concern that British companies should be encouraged to play a role in the latter's design and development.

British Aerospace, the aeronautical manufacturer, which has a contract to build the FLA's wings, had feared losing its leadership in wing technology to Germany had the UK failed to rejoin the European programme.

Such a failure might also have compromised the company's position in the European Airbus programme, which provides the umbrella under which FLA is being developed. Mr Dick Evans, BAe's chief executive, said

Continued on Page 26
Lukewarm reception from potential partners, Page 7

STOCK MARKET INDICES

FT-SE 100:	3,013.6	(+40.2)
Yield	4.27	
FT-SE Eurotrack 100	1,329.65	(+2.91)
FT-SE-A All-Share	1,496.05	(+1.1%)
Nikkei	19,163.43	(+42.31)
New York lunchtime:		
Dow Jones Ind Ave	3,778.94	(+14.47)
S&P Composite	457.30	(+1.95)

■ LONDON MONEY

3-mo Interbank	$6\frac{5}{8}$%	(same)
Liffe long gilt fut:	Mar $102\frac{5}{32}$	(Mar $102\frac{3}{16}$)

■ US LUNCHTIME RATES

Federal Funds:	$5\frac{7}{16}$%
3-m Treas Bills: Yld	5.675%
Long Bond	$95\frac{27}{32}$
Yield	7.856%

■ NORTH SEA OIL (Argus)

Brent 15-day (Feb)	$15.805	(15.83)

■ GOLD

New York Comex (Feb)	$381.1	(382.7)
London	$380.8	(379.85)

■ STERLING

New York lunchtime:		
$	1.5613	
London:		
$	1.563	(1.5615)
DM	2.4561	(2.4542)
FFr	8.4637	(8.4639)
SFr	2.0762	(2.0718)
Y	156.535	(156.629)
£ Index	80.4	(80.3)

■ DOLLAR

New York lunchtime:		
DM	1.5715	
FFr	5.41775	
SFr	1.3295	
Y	100.175	
London:		
DM	1.5714	(1.5718)
FFr	5.415	(5.4205)
SFr	1.3283	(1.3266)
Y	100.15	(100.31)
$ Index	83.4	(same)
Tokyo close Y 100.31		

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LONDON · PARIS · FRANKFURT · NEW YORK · TOKYO

Investigations by Brussels could trigger steep penalties

Price-fixing probe for EU steel groups

By Emma Tucker in Brussels and Andrew Baxter in London

The European Commission is investigating the activities of at least eight European steel producing and distribution companies, suspecting they are running a price-fixing cartel in heavy duty steel tubes.

The investigations – carried out over the last two weeks – could lead to the imposition of steep fines if the Commission considers that the companies have behaved illegally.

Companies involved include British Steel, Italy's Ilva, Vallourec in France, and Mannesmann and Thyssen of Germany. Europipe, a *three-year-old joint venture* between Mannesmannrohren-Werke, of Germany, and Dillinger Huttenwerke, a subsidiary of France's Usinor-Sacilor, is also under investigation.

The Commission *suspects* the companies of meeting regularly to collude on prices and share out contracts in the oil and gas industries. They allegedly ran a system whereby all but one company proposed a higher price for a contract, ensuring the work was channelled to the designated enterprise.

The inquiry comes as talks continue on bringing British Steel's large-diameter welded pipe business into the Europipe joint venture with Usinor-Sacilor and Mannesmann.

The investigation marks the latest in a series of drives by Brussels to stamp out uncompetitive activities by EU-based companies.

So far this year European steel makers, carton-board producers, and cement manufacturers have been found guilty of collusion after probes by the Commission's competition authorities. They were fined record amounts.

In February the Commission demanded Ecu104.4m (£82.16m) from 16 companies for allegedly operating a cartel in steel beams used in the construction industry.

Only last month it imposed even higher fines on 33 cement producers accusing them of using secret agreements to rig the market for more than 10 years.

Following the Commission's decision, Mr Karel Van Miert, who is responsible for competition policy, hinted that other sectors of European industry were likely to come under investigation, but said evidence of collusive behaviour was becoming increasingly hard to detect.

The Commission investigates cartels when it suspects that collusive behaviour is affecting trade between EU members states or countries in the European Economic Area. Evidence *is often hard to assemble as* companies have become adept at covering their tracks – for example, by agreeing not to keep minutes of meetings where collusive practices are discussed.

In this latest case Commission officials were dispatched on dawn raids to the companies concerned to seize confidential documents.

If found guilty the Commission is allowed, under EU competition law, to fine companies up to 10 per cent of their turnover.

This year's record fines on the cement, carton-board and steel producers have boosted the reputation of Mr Karel Van Miert but infuriated the companies concerned, most of which have launched appeals in the European Court of Justice.

The Commission suspects companies of meeting regularly to collude on prices and share out contracts in the oil and gas industries

The levels of the fines have *to be agreed by the College of* Commissioners in Brussels. Mr Van Miert was only just able to *secure sufficient support for* the fines on the cement producers, as some commissioners were *reluctant to penalise* high-profile companies in their own states.

British Steel yesterday confirmed it had received a visit from Commission officials but declined to comment on the subject of the call.

The company's wide-diameter steel tubes are made at Hartlepool in north-eastern England and it is understood that both the Hartlepool plant and the headquarters of the company's tube business at Corby were visited by the investigators.

British Steel's tubular products business employs 2,100 people and had turnover in 1993/94 of £390m, but this includes smaller tubes and pipes made at Corby. Its heavy duty tubes are sold mainly to the offshore oil and gas industry and are also used in heavy construction.

Threat of rebellion over Chechnya mission

Popular protests are demoralising the invading forces, write **Steve LeVine** and **John Lloyd**

General Ivan Babichev, a senior divisional commander of the Russian force attacking Chechnya, declared war yesterday – against his political superiors. Addressing several hundred Chechens in the village of Novo Shurvoi, he said: "Any order to attack Grozny is a criminal one. This operation contradicts the constitution. It is forbidden to use the army *against peaceful civilians. It is* forbidden to shoot at the people."

His extraordinary statement, made close to where his column has been halted for the past three days 35 miles from the Chechen capital Grozny, is the clearest sign yet that a significant part of the army will not fight Chechens – in spite of overwhelming superiority on the Russian side. Although resistance to the Russian invaders on the part of both Chechens and their neighbours in Ingushetia has been spirited, it has been the popular demon*strations, particularly by the* women, which have halted Gen Babichev and which are *demoralising the army.*

"When I look into the faces of these old women," the general said yesterday, "it is as if I see the face of my own mother".

A Chechen fighter aims his rifle at Russian positions in the hills above Grozny yesterday, during a lull in fighting

Reuter

Gen Babichev has had his fill of women. They clambered *over his tanks and armoured* personnel carriers in Ingushetia; they have wailed and shouted by the side of the road; and where he has halted they have formed barriers, dancing in the middle of the highway with their men behind them. They are a human shield.

On the northern front, where the main fighting has occurred but where there was only sporadic shelling yesterday, a young Chechen soldier said the elders of the local community had gone to the Russians to appeal to them not to fight. "They came back and told us none of them wanted to fight, they wanted to go home."

A harsher message came from Mr Musa Israelov, 42, commander of the frontline tank post on the northern perimeter near Tolstoi Yurt, where the Russian division is now positioned. With the muzzles of Russian tanks on the hills behind him, he said: "If Russian parents don't take their sons back, they will come back as corpses in buses".

The Islamic undercurrent in the struggle has become more apparent. The Russian nightmare of a jihad on its territory – an eventuality they tried to prevent by taking over the border defences of Tajikistan and pouring troops in to bolster fighting with the Afghani mujahideen – now seems a distinct reality.

Mr Mayerbek Bokhachaev, a 28-year old fighter wearing the inscription "*Allah Akbar*" (God is Great) on his vest, said: "This is a holy war. You can tell Yeltsin *the Islamic people* of Chechnya will never retreat. Our country has never been conquered by anyone."

The relative calm yesterday in Grozny was observed by the Russians in the west by clearing up the debris of smashed and burnt vehicles along the highway, resulting from attacks over the last four days. On the northern front, more barricades were going up; cement blocks were being moved into place, gun emplacements strengthened and camouflage netting placed over them.

There is now a *lull in the* storm. Grozny's streets are filling with people and the impoverished market is doing more business. But the city is still readying itself for war.

Compromise in Italian telecoms row

By Andrew Hill in Milan

Italian ministers yesterday attempted to defuse a row threatening to delay liberalisation of the country's mobile telephone sector with a compromise response to demands from Telecom Italia, the state-controlled operator.

The committee of ministers proposed a reduction of the fee Telecom Italia pays to the Italian government, and said the company should have the freedom to set prices on the existing analogue mobile phone network, over which it has a monopoly. But the ministers said implementation of the new initiatives should be delayed, to prevent Telecom Italia exploiting its position and hampering the development of a competing digital mobile phone network.

Stet, the state-controlled parent company of Telecom Italia, welcomed the solution as "satisfactory and reasonable". However, Omnitel-Pronto Italia, the international consortium which will build and manage the new digital mobile phone network, remained silent.

Omnitel-Pronto Italia is headed by Olivetti, the Italian computer group, and includes US and Scandinavian partners. The consortium may well be concerned about a clause which allows for more flexible analogue tariffs in the period before full liberalisation. Omnitel had earlier expressed its concern that Telecom Italia would be able to take advantage of its head-start in the mobile phone market. It already has more than 2m subscribers to its analogue network.

Telecom Italia has also built a digital network, but it was afraid that, with freedom to set prices, Omnitel-Pronto Italia would be able to poach analogue customers from the state-controlled company.

Mr Francesco Chirichigno, managing director of Telecom Italia, yesterday signed the joint convention governing digital mobile telephone services, which was signed by Omnitel-Pronto Italia two weeks ago. Telecom Italia had withheld its signature pending a satisfactory answer to its demands.

Full liberalisation of tariffs on the analogue mobile telephone network will only come into effect 18 months after Omnitel-Pronto Italia has begun operating. The gradual reduction of the fee paid by Telecom Italia for its monopoly over a range of services will begin after 1996.

The row between Omnitel-Pronto Italia and Telecom Italia has taken a dangerous political turn in the last two weeks, with Mr Silvio Berlusconi, the Italian prime minister, and his supporters publicly *attacking Mr Carlo De Benedetti*, chairman of Olivetti.

Mr Berlusconi's Fininvest group was part of the consortium defeated by Omnitel-Pronto Italia in the contest for the second digital mobile phone licence.

Car group set to go ahead with expansion plan at plant in south Italy

Fiat workers' rethink saves investment

By Robert Graham in Rome

Fiat, the Turin-based automotive group, is expected to go ahead with a L400bn (£156.6m) investment in its plant at Termoli in southern Italy following a volte face by the local workforce.

Workers yesterday agreed to accept a new flexible working week at the plant, after rejecting the plan less than three weeks ago. Their spurning of the agreement led to threats by Fiat to pull out of the investment aimed at expanding engine-manufacturing capacity. Such a move would have lost 300 new jobs.

The threat in an area with more than 20 per cent unemployment, and the risk that Fiat would switch new capacity elsewhere, including Poland, triggered a local outcry. It also dismayed the main trades union which had already negotiated the flexible working hours deal with Fiat management.

Such was the outcry that the labour ministry was drawn in, along with national union leaders and local dignitaries.

More importantly the dispute cast a spotlight on the problems, which have had a negative impact on investment projects, of introducing modern work practices in the south.

The crux of the problem was that the 2,700-strong workforce had been working a five-day week while earning extra wages through overtime on Saturday. Fiat proposed to introduce a six-day week with Saturday-working but eliminating overtime.

Although this meant expanded capacity at the plant, extra jobs and a more secure future, it also meant a cut of some L300,000 a month in lost overtime.

The fear of losing this money turned a referendum into a simple issue of voting for higher pay for those in jobs while ignoring the broader issue of further investment and new employment.

The national engineering union which negotiated the original deal was weak at the local level and unable to get across its point of view.

During intense discussions after the vote on November 30, the workforce was won over and a show of hands was taken yesterday. This clears the way for Termoli to play an integral part in Fiat's plans to capitalise on the success of its latest model, the Punto, produced at the nearby plant of Melfi.

As a result of the Melfi operation coming on stream last year, Fiat now has more automotive production facilities in the south than northern Italy.

This new agreement could consolidate the trend.

UK wins carbon energy tax battle

By Caroline Southey in Brussels and Haig Simonian in London

The European Union's attempt to reach a common position on energy taxes *looked* in tatters yesterday after environment ministers agreed to let member *states adopt individual* approaches to plans to cut carbon dioxide emissions.

A deal reached at a meeting in Brussels on Thursday evening means that opponents of a *proposed EU-wide* carbon energy tax, led by the UK, have won their battle against the measure.

It is an embarrassing blow to the EU ahead of an international conference next March in Berlin to consider further steps to cutting CO_2 emissions.

The conference is the most important international gathering on the environment since the 1992 Rio de Janeiro Earth Summit.

The EU's failure to agree is particularly difficult for the German government, which had pushed most strongly for the carbon tax ahead of the Berlin meeting.

Mr John Gummer, UK environment minister, said he was "very pleased" with the outcome, which was in line with the broader understanding on a CO_2 tax reached at last weekend's European Council summit in Essen.

A British official said this meant that individual countries were free to make their own provisions for meeting emission targets and that the idea of a European Union-wide energy tax "was dead in the water".

Under the Essen compromise, economic and finance ministers will draw up a "common strategy" for reducing emissions, which could also include increases in excise duty or extensions of duty to cover new fuels.

Although the energy tax measures will be voluntary, Commission officials said the majority of member states would seek to apply them.

Business leaders in Europe have lobbied hard against a CO_2 tax, arguing that it would hurt industry's competitiveness in relation to their US and *Asian counterparts.*

Opposition from the UK government has focused on national sovereignty. Earlier this year, Mr Kenneth Clarke, the chancellor of the exchequer, said the government would not accept the principle of taxes imposed from Brussels.

But the tax has found favour in some eco-conscious member states such as Germany, Denmark and the Netherlands. Other governments support the tax as a means of raising revenue.

The European Union is committed to stabilising CO_2 emissions at 1990 levels by the year 2000 under the Rio Convention on Climate Change. All 12 member states have already agreed the targets and that more measures may be necessary if the targets are to be met.

Ironically, the UK can afford to take a tough line on the tax as it is well *placed to meet* its Rio commitments.

Mystery clouds Oslo bourse chief's sudden death

Shocked friends defending Erik Jarve, who drowned earlier this week, say he was not the sort of man who would commit suicide, **Karen Fossli** reports

Norway's financial community is still in shock over the sudden dismissal and subsequent death earlier this week of Mr Erik Jarve, president of the Oslo stock exchange.

As the atmosphere in Oslo's tight-knit financial community grows increasingly tense, the circumstances surrounding the death are quickly becoming muddled by mystery and accusation. Friends say it is unlikely he would have committed suicide, as seems to be the case, by drowning himself *in a fjord near his holiday* cabin south of Oslo.

The bourse administrators, *though stunned by the death,* insist he was asked to go as he had abused his position to advance the job prospects of a close family member.

Oddly, the initial reaction to his death by the bourse board, the exchange executive, had been to cancel an external investigation it ordered into the affair when it dismissed Mr Jarve on Monday.

Early on Tuesday morning Mr Jarve, 50, was found drowned. *It is believed he committed* suicide but some in the financial community think his *death may* have been accidental. People who knew him well say it was hard to distinguish between Mr Jarve's personal and professional lives, but it was unthinkable that he was corrupt. He did not trade in securities. "He lived for the market. That was his entire life. He transformed the bourse in just over a decade to computers from paper," claims one broker who worked closely with him.

"There seems to be more to the case than has been revealed," another broker says.

Even the bourse board praised Mr Jarve's work and accomplishments. "Mr Jarve's clairvoyance, expertise and patience has been *pivotal* to the development and modernisation of the exchange. The *entire financial community* owes him a great many thanks for the work he has done to develop the Norwegian securities market into a competitive market," the board said after his death.

But his friends are angry at the way he was treated by the board on Monday, given his solid reputation and his 25 years of service at the exchange. They believe it was careless of the board not to have gauged the effect the sacking would have on him.

"He was of the old school", a broker says. "Things went strictly by the book with him."

The board has offered a straightforward explanation of *its actions.* Ms Elisabeth Wille, chairman, explained that Mr Jarve was dismissed for a number *of undertakings from* which he personally benefited.

The board claims that last March Mr Jarve employed a close family member at Oslo Bourse Information (OBI), a subsidiary of which he was the chairman. The family member was employed at OBI until October.

The appointment was not cleared by the board and the family member did not have the necessary qualifications for the job, it claimed. In June the same family member completed two Unix computer programming courses which were *not relevant to his OBI job* but for which expenses were charged against bourse *accounts,* the board said.

But if employing a family member is reason enough to ask Mr Jarve to go, friends say, why wait until Monday? "The family member was, after all, at the bourse and could be seen every day," a broker stresses.

In September the bourse agreed a NKr51m (£4.7m) contract with Logica UK, a computer software company, to complete the development of a new trading system. According to the board's explanation this week, Mr Jarve was not involved in the negotiations of the *contract* but held private discussions with Logica in which it was agreed that the *family member would be* employed by the UK company for two years and that his salary would be built into the trading system contract.

Once again, friends counter the implied board accusation of improper behaviour. Perhaps, they say, Mr Jarve was preparing the family member for a job as a technician for the new system once it became operational and, if this was the case, was it not then bourse business?

The board also said Mr Jarve had charged against bourse accounts expenses incurred by the family member while moving to *London* and the subsequent expenses incurred while living there when working for *Logica.*

The board said Mr Jarve had also arranged for the family *member to receive a salary* from OBI for October and November, even though the family member had already begun working at Logica.

In all, the costs associated with these undertakings totalled about NKr300,000, which the board said had been to Mr Jarve's benefit.

What cannot now be known is whether Mr Jarve knowingly crossed a line distinguishing his business from that of the bourse's.

What is clear is that his relations with the board had been strained for more than a year. It is understood there was criticism of his expensive lifestyle and that it was felt he travelled abroad too *frequently* to attend events related more to the international marketplace than *to the Oslo* bourse.

It is also understood that there were tensions between Mr Jarve and domestic brokers who wanted more influence in the marketplace.

"He [Mr Jarve] had his enemies...but they were brokers who wanted more say in things," a broker says.

Early last week Ms Wille was informed by a bourse employee of "financial irregularities" connected to Mr Jarve and the bourse. Ms Wille then told Mr Tom Vidar Rygh, vice-chairman of the board.

On November 8, believing those allegations to have been confirmed, Ms Wille informed Mr Arent Henriksen, chairman of the Bourse Council which oversees the board.

On Monday Mr Jarve was called into a private session with Ms Wille and Mr Rygh to answer the allegations. After a *brief period he returned* to his office, and shortly after left the bourse in a taxi to go to his *cabin. Ms Wille then called* a meeting of the board in which she spelled out the allegations against *Mr Jarve and told* them he had been dismissed. This was followed by a meeting of the council, which was informed of the affair.

Ms Wille said Mr Jarve was offered a *suspension while* KPMG Peat Marwick, the bourse auditor, undertook a further probe *into the affair.* She said Mr Jarve rejected the suggestion so it was decided he would be *dismissed immediately.* The probe has now been suspended indefinitely.

After Mr Jarve had left the bourse, a note was found in his office by officials who say it suggested he might have been contemplating suicide.

Alerted by the note, Mr Jarve's brother visited him at the cabin but Mr Jarve asked to be left alone. The brother called the cabin later that evening but there was no answer. When he drove to the cabin Mr Jarve was found in the fjord.

Erik Jarve, in happier times, outside the Oslo bourse where he oversaw modernisation

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INTERNATIONAL NEWS DIGEST

Paris Club in debt write-offs

The Paris Club of richer government creditors yesterday said it was ready to write off 67 per cent of the maturing debt of 27 of the poorest countries, which could also for the first time get softer terms on the rest of their debt.

The announcement follows agreement in principle by the Group of Seven economic powers at their July summit in Naples to give more debt relief to the poorest countries. The move, strongly backed by France and the UK, marks a further easing by the Paris Club, which in 1991 raised to 50 per cent the share of poorest countries' maturing debt that it was willing to write off.

The total official debt of the 27 countries, mainly from sub-Saharan Africa and a few central American states plus Vietnam, is put at $35bn (£21.3bn). The novelty in yesterday's announcement is that the Paris Club is also prepared to give debt relief on countries' total residual stock of debt, provided their restructuring programmes are considered sufficiently far advanced. *David Buchan, Paris*

Aid and warning for Kenya

International aid donors yesterday signalled that they would cover Kenya's estimated external financing gap of $800m next year, but warned the Nairobi government to take steps to prevent public funds being misused again.

At the end of a two-day meeting chaired by the World Bank, doners said they "warmly welcomed" the government's public disclosure of the misappropriation of public funds and its action this week in charging a former permanent secretary of the treasury with conspiracy to steal. The legal action was clearly timed to influence the Paris meeting, where, however, donors stressed the "critical importance" of preventing such misuse occurring again.

Kenya was complimented by aid donors on its success over the past year in reducing inflation to single digits, boosting growth this year to 3.3 per cent, increasing external reserves and abolishing virtually all foreign exchange and internal price controls. *David Buchan, Paris*

New trade barriers in Sweden

Sweden, which has taken steps to liberalise trade over the past four years, will raise trade barriers again when it joins the European Union next month, according to the General Agreement on Tariffs and Trade. A Gatt report published yesterday on Sweden's trade policies and practices said prices of imports from non-EU nations are "in many cases" expected to rise from January because of "generally higher" EU tariffs and more complicated trade control systems.

With the reintroduction of textiles and clothing quotas under the Multi-Fibre Arrangement and other trade controls, Gatt predicts that the number of import licence applications in Sweden could rise from a few thousand to over 60,000 a year. *Frances Williams, Geneva*

Crédit Suisse proceedings

Swiss authorities have begun extradition proceedings against an Italian financier based in London in connection with an alleged $70m fraud against Crédit Suisse bank. Mr Sergio Cuoghi, the head of the Ehrofin financial group of Geneva, faces a charge of obtaining $70m by deception from Credit Suisse between January 1 1992 and November 18 this year.

As part of an investigation being carried out by the Swiss authorities, a former assistant manager with Fides, an investment trust company wholly owned by Crédit Suisse, is currently being held in prison in Geneva. At an interim hearing at London's Bow St magistrates court yesterday, Mr Cuoghi's case was adjourned to January 9 next year. Mr Cuoghi, of Montpelier Square, London, has been remanded on bail until then. *John Mason, Law Courts Correspondent*

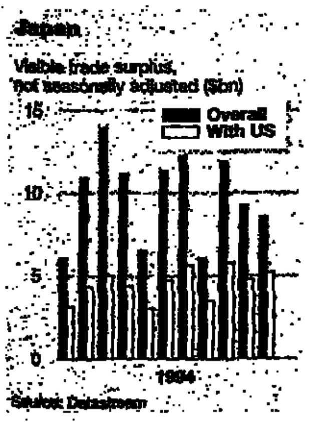
US housing starts increase

A 7 per cent increase in US housing starts between October and November, reported yesterday, provided fresh evidence of buoyant economic growth despite repeated efforts by the Federal Reserve to curb demand by raising interest rates.

Fed policymakers meet again next Tuesday and could decide to raise short-term rates by a further half point to 6 per cent. Most Wall Street analysts, however, expect the Fed to delay its next move until the New Year partly because of jitters in bond markets following the Orange County bankruptcy. By late January the Fed would also be able to assess whether unexpectedly strong consumer spending in November had carried over into the Christmas period.

The figures for housing starts surprised analysts, many of whom were looking for an increase of only about 2 per cent. Forecasters generally had assumed that a 5 per cent decline in starts in October signalled a period of more sluggish home building following increases in mortgage rates. Starts figures are volatile on a monthly basis, and the latest rise partly reflected unseasonably warm weather. *Michael Prowse, Washington*

Japan's trade surplus up 15.5%



Japan's trade surplus jumped 15.5 per cent from a year earlier in November to $8.55bn, but officials and economists said yesterday they still foresaw a slow decline next year. Strong exports to recovering economies in the US and Europe caused the surplus to rise for the first time since July this year. Exports as a whole climbed 21.1 per cent from a year earlier to $34.42bn. The politically sensitive surplus with the US, Japan's biggest trading partner, expanded to $5.17bn from $4.29bn. But a Ministry of Finance official told reporters: "The trade surplus is still in a shrinking trend despite November's rise." He noted that imports continued growing at a double-digit pace, up 23.1 per cent to $25.86bn. *Reuter, Tokyo*

Portuguese inflation falls

Portugal's year-on-year inflation rate fell from 4.5 per cent in October to 4.0 per cent in November, the National Statistics Institute said yesterday. The fall to a level that Mr Anibal Cavaco Silva, prime minister, said was the lowest in 40 years was welcome news for the centre-right government as fears of political instability began to affect financial markets. The prime minister's office on Thursday described a stock market rumour that Mr Cavaco Silva was about to resign as "absurd". *Peter Wise, Lisbon*

Manila aims at 6% growth

The Philippines has formalised an agreement with the International Monetary Fund for an increase in 1995 monetary expansion targets that will allow the country to aim for an overall economic growth of about 6 to 6.5 per cent, negotiators from both panels announced yesterday. Mr Gabriel Singson, governor of the central bank, said total domestic liquidity, or M3, would be allowed to grow by 23 per cent, while base money (currency in circulation and reserve balances of banks) could increase by up to 24 per cent. The previous targets were 13.3 per cent for M3 and 9.5 per cent for base money. The IMF agreed to the rise to give the Philippines "more elbow room for growth manoeuvres" following an "overperformance" in the international reserves, Mr Singson said.

Philippine gross national product is projected to grow by 5.5 per cent this year, compared to 3.5 to 4.5 per cent projected in the IMF programme, while inflation is forecast to average 9.2 per cent, against the target of 9.5 per cent. *Jose Galang, Manila*

Clinton team tackles Republicans on tax

By George Graham in Washington

Administration officials yesterday challenged voters to measure tax cut proposals from the new Republican majority in Congress against the programme outlined by President Bill Clinton in a televised speech on Thursday night.

"Are they targeted to the middle class? Are they targeted to working families in this country? Are they fully and honestly paid for so that the deficit does not increase?" Mr Leon Panetta, the White House chief of staff, asked yesterday.

Over five years, Mr Clinton's proposals would cost a total of $60bn (£36.5bn), and include:

- A $500 tax credit for each child under 13 for families with incomes below $60,000 a year, with reduced credits for incomes up to $75,000.
- Tax deductibility for up to $10,000 a year of college tuition fees, for families with incomes up to $100,000 a year.
- An expansion of Independent Retirement Accounts, which offer a tax shelter for savings, to raise the income limit for tax deductibility from $50,000 to $100,00 and to allow no-penalty withdrawals for purposes such as education expenses, the purchase of a first home or catastrophic illness.
- The consolidation of 60 worker training programmes into a single voucher programme to pay for training.

Vice President Al Gore will on Monday provide details of spending cuts totalling $24bn from reorganisations of the Departments of Energy, Housing and Urban Development and Transportation, as well as the General Services Administration and the Office of Personnel Management, including privatisation of the naval petroleum reserve and the air traffic control system.

Moreover, Mr Clinton, who in his 1993 budget declared a "hard freeze" on discretionary spending up to 1998, said he would continue to freeze spending at 1993 levels for another two years. That will provide $52bn more savings.

Mr Lloyd Bentsen, who is about to step down as treasury secretary, said it was essential that any tax cut should not increase the deficit. "We've come too far in cutting the budget deficit to let the next Congress turn back and start cooking the books," he said yesterday.

Mr Bentsen said that 87 per cent of the tax cuts proposed by Mr Clinton would benefit families earning less than $100,000, while 54 per cent of the tax cuts promised in the Contract with America manifesto on which congressional Republicans have campaigned would go to those with incomes above $100,000. The Republicans have called for a similar tax credit of $500 per child, but for families with incomes up to $200,000, and also want to cut capital gains taxes.

"Now who do you think is trying to take care of middle income families?" Mr Bentsen asked.

But Congressman John Kasich, who will chair the budget committee when the new House of Representatives convenes in January, said the administration should "drop the class warfare". "We need to stop that division between one income group and another," he said.

Panetta: on the attack

If there is to be a class war, however, Democrats have already launched their offensive and appear confident that they can win.

Congressman Richard Gephardt, the new Democratic leader in the House, announced his own tax cut proposal earlier this week for all taxpayers earning less than $75,000, with or without children, dismissing the Republican plan as "a tax break for every child of the rich".

Mr Clinton's tax cuts would probably be phased in, and details were still being hammered out yesterday. Treasury officials have to fit the cuts year by year into the pay-as-you-go rules of the budget law, which require tax cuts to be offset with spending cuts or other tax increases.

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New life for old Manhattan

Richard Waters on Giuliani's plan to revive downtown New York

From the grey canyons of Manhattan's old financial district, the World Trade Center's soaring twin towers can be glimpsed only fleetingly.

The contrast between this new financial world and the old is a stark one. With their small and irregular floor plans and low ceiling heights, the buildings in this area around Wall Street are unsuited to the big, open-plan trading areas sought by modern banks.

Partly as a result, lower Manhattan is in decline. While the island's midtown area – the world's biggest office property market – booms, downturn has been stuck in a prolonged slump. Office vacancy rates have climbed steadily, to 23 per cent, despite the recently ended boom in financial markets which drove the profits of US investment banks to record levels in three successive years.

On Thursday Mr Rudolph Giuliani, the city's Republican mayor, announced plans intended to reverse the slide. Included in it are proposed tax breaks, new transport links and changes to zoning laws that together could encourage more businesses to move to the city's old financial heart – or at least, stop occupants moving out.

The tax breaks would consist of a five-year reduction in property taxes for new or renewed leases on buildings put up before 1975. There would also be tax incentives for construction of new "smart buildings", which incorporate the most up-to-date information technology, or for renovations of old ones.

At the same time, planning restrictions on a building's height or the distance it is set back from the street would be relaxed, while limits on converting old buildings for residential use would be abolished

The efforts to improve transport links include a feasibility study into a new express corridor for taxis on one of the crowded avenues linking midtown with downtown. Also, by next summer the Metropolitan Transit Authority will complete a study into extending commuter rail lines from Long Island and the suburban areas of Westchester County and Connecticut into the downtown area.

Many parts of the mayor's plans, particularly those relating to tax income, will require the approval of the City Council. The issue is expected to arouse considerable antagonism, given that New York has been through a financial crisis this year and faces a continuing shortfall in tax income – and given that the beneficiaries of any renewal of the downturn area will include the wealthy banks which inhabit modern developments such as the World Trade Center and the newer World Financial Center behind it.

Mercosur customs union to begin on January 1

By Angus Foster in Ouro Preto, Brazil

The four South American countries in the Mercosur trade group yesterday settled all their differences and said they were ready for the trade area to become a full customs union from January 1 as planned.

Foreign ministers from Brazil, Argentina, Paraguay and Uruguay reached agreement on a number of outstanding problems after a hectic night of negotiation.

The agreements will be included in the document, to be known as the protocol of Ouro Preto, which is to be signed by the four presidents today and will give Mercosur a similar legal status to the European Union.

Mr Celso Amorim, Brazil's foreign minister, said he was "very proud" the four countries had put in place the first customs union among developing countries.

The protocol also sets out rules for the Mercosur institutions such as an arbitration system for disputes and rules to promote competition and ease customs procedures.

The four countries agreed the final lists of products, mainly those considered unready to face full competition, which will be allowed to keep domestic tariffs for four more years rather than cut tariffs to zero immediately.

Brazil and Argentina, which together account for more than 95 per cent of Mercosur's gross domestic product, also reached an accord on their automotive industries. Because both countries consider this sector strategic, it is given a special exemption from the free trade rules.

The protocol commits the four countries to review before 2001 when and whether to go ahead toward a full common market, which implies the free movement of goods and labour.

World Bank urged to set up nutrition programme

By Nancy Dunne in Washington

The World Bank is calling for the inclusion of nutrition schemes "in every appropriate Bank project" in order to combat deficiencies in Vitamin A, iodine and iron.

Without these so-called micronutrients, development is hindered in many countries by the need to care for the more than 1m cases of blindness, mental retardation, learning disabilities and low work capacity, says a Bank report.

The recommendation to devote more resources to these nutrients is contained in "Enriching Lives" published by the Bank's human resources division, now the fastest growing sector in the giant multilateral lending institution.

The real growth in social programmes began a decade ago. Last year the Bank lent $3bn (£1.8bn) for various health, education, population and social programmes.

"There came a general awareness that in order for us to make a real dent in poverty, we must attack basic problems like education and healthcare," said Mr Klas Bergman, a Bank spokesman.

According to the report, the cost of deficiencies of Vitamin A, iodine and iron is enormous – as much as 5 per cent of a country's gross domestic product – in terms of deaths, disabilities and productivity. Remedies would cost an estimated $1bn a year, according to Mr Bergman. Bank lending for everything last year totaled $20.8bn.

The Bank next year will lend at least $60m for micronutrient projects. The biggest, to be funded with UN agencies in China, is that country's first salt iodisation programme and will cost $27m.

In Mali the bank is financing the world's first trial of a new method of iodising water. Water pumps will release small amounts of iodine every time they are used.

The Bank's other health programmes are growing. It has become the largest single source of external financing of aids programmes in the developing world, lending $600m to 50 projects since 1986.

It is stressing women's health, having concluded that improvement is essential to reduce poverty. Over the past six years, the bank allocated nearly $5.7bn to more than 100 projects, dealing with family planning, sexually transmitted diseases, nutrition, gynaecological cancer and other health problems.

The Bank also issued a report calling violence against women an obstacle to development.

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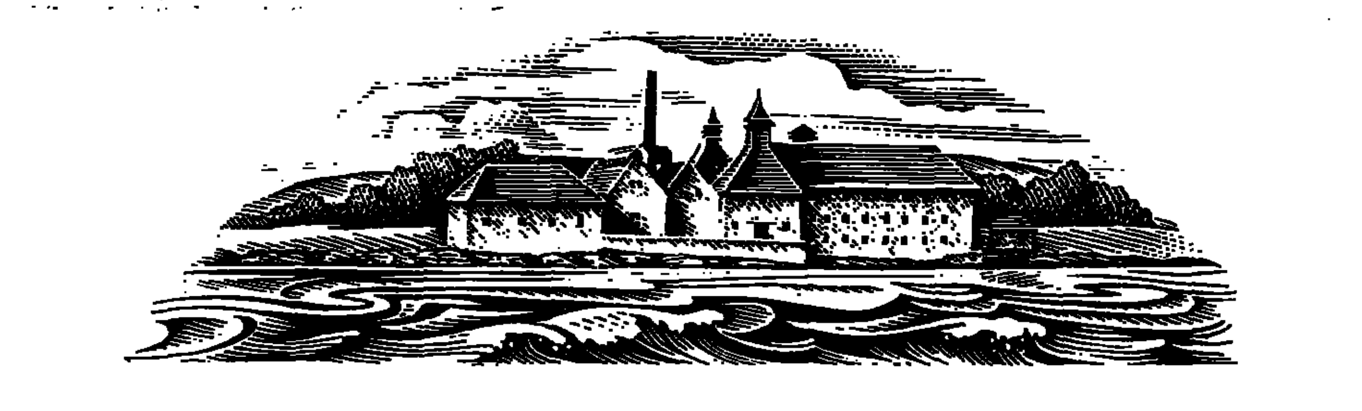

FAR AND AWAY THE MOST
DISTINCTIVE MALT WHISKY.

PEAT SMOKE, SOFT RAIN AND SEA AIR.
WOVEN TOGETHER IN SOME MYSTERIOUS ALCHEMY.

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SINGLE ISLAY MALT SCOTCH WHISKY
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Years Old

US halts trade talks with China

By Tony Walker in Beijing and Jurek Martin in Washington

The US has suspended talks with China over copyright infringements, risking a serious rupture that could further complicate Beijing's negotiations to enter the General *Agreement on Tariffs* and Trade.

In Hong Kong yesterday, a US trade official said talks in Beijing on intellectual property rights were "suspended" on Thursday. "The Chinese did not make any serious offers. We couldn't continue. There was no point," the official said.

Mr Lee Sands, assistant US *trade representative, left* Beijing abruptly for Hong Kong after three days of discussions. The US and China have been haggling for months over the copyright issue.

In Washington, trade officials said there was "no explicit linkage" between the bilateral dispute with China *over* intellectual property and the question of Chinese membership of the World Trade Organisation, successor to Gatt. But adherence to trading rules was a precondition of membership in the multinational organisation, officials said.

The US earlier this year placed China on a priority list *of foreign countries infringing* copyright covenants. Beijing was given until the end of the year to put its house in order or risk sanctions under section 301 of the US Trade Act.

Even if Mr Mickey Kantor, the US trade representative, decides not to extend the negotiating deadline – an option if he determines agreement may yet be reached – sanctions would not be immediately enforced. The *US* would first publish a list of targeted Chinese products, in effect allowing more time for resolution.

The US is urging China to close 29 factories producing pirated laser and compact discs for export. Beijing says it has *taken action against these* factories, but American officials dispute this.

US accusations of Chinese bad faith over what it says are rampant copyright violations could hardly come at a more awkward moment. The Gatt working group on China is due to reconvene in Geneva on Tuesday in an attempt to reconcile wide differences over terms for Chinese entry.

Washington has nominated copyright infringements as one of the key areas to be addressed if China is to satisfy requirements for accession to the Gatt and its successor, the World Trade Organisation.

Exasperated US officials said that if anything piracy had worsened in China over the past 18 months. They cited the case of a factory in Shenzhen, the special economic zone adjacent to Hong Kong, offering new release films on laser disc that are not yet available in the US.

China, meanwhile, has indicated that it is not in the mood for substantial concessions in its Gatt talks in Geneva. Ms Wu Yi, *the foreign trade minister*, warned that China would not yield to pressure.

China applied to rejoin Gatt in 1986, but negotiations have proved difficult over such issues as the pace of tariff reform and market access to services and farm sectors.

Nine dissidents are jailed for up to 20 years

By Tony Walker in Beijing

China yesterday signalled a *crackdown on dissidents*, jailing nine activists for "counter-revolutionary" crimes, *including a 20-year sentence for a* university lecturer involved in pro-democracy activities.

These are the *toughest* penalties meted out to political activists since the trials following the Tiananmen Square massacre of June 1989 in which the army fired on demonstrators in and around Beijing's central square.

In Hong Kong, Mr Robin Munro of the Human Rights Watch said he was "frankly appalled" by the severity of the sentences. "None of those accused were involved in even a hint of violence," he said. "They were all engaged in promoting free speech and freedom of association."

Western officials in Beijing said the tough sentences were *a sign that the authorities* were intent on sending an uncompromising message to dissidents as uncertainty deepens over the transition to a new generation of leaders in place of the ailing Deng Xiaoping.

The leadership in this difficult transition phase is grappling with high inflation, incipient unrest among workers laid off from faltering state enterprises, a restless peasantry *whose incomes are being* squeezed by rising costs and a worrying increase in crime.

Those sentenced were involved in various pro-democracy organisations, including the China Progressive Alliance, the Free Labour Union of China and the Liberal Democratic Party.

The heaviest sentence was imposed on Hu Shenglun (Hu *Shigen), a 39-year-old lecturer* at the Beijing languages institute who received 20 years for *"organising and leading a* counter-revolutionary group" and "counter-revolutionary *propaganda and incitement*."

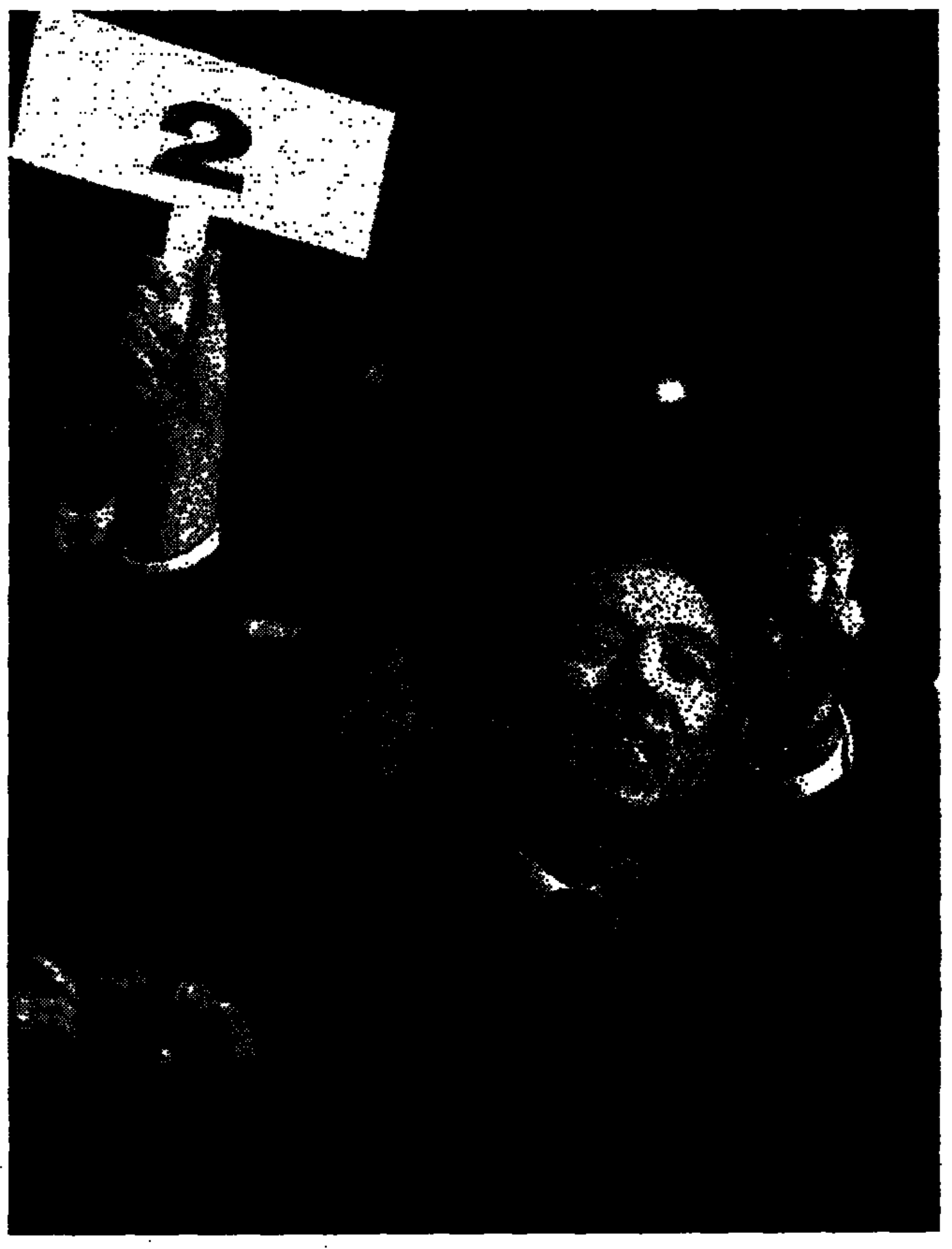
Hu had been held without trial since his arrest on May 27, 1992. This far exceeds the limit of pre-trial detention under Chinese law.

Others to receive severe penalties included Kang Yuchun, a 30-year-old doctor who was sentenced to 17 years, and a worker, Liu Jingsheng, 40, who was jailed for 15 years.

China seems certain to encounter international censure over the severe sentences, but may well have concluded it has little to lose at this stage. *Mr Munro of Human Rights* Watch noted that the trials were repeatedly delayed, apparently because of concern about political fall-out.

Trials were postponed, he said, while China sought the 2000 Olympics and renewal of its most favoured nation trading status in the US.

Mr Munro said the sentences "gave the lie" to claims by western governments and business that economic reform would lead *to improved human* rights. "Beijing feels it is completely in the clear now and can act with impunity against the dissident community," he declared.



Guo Maosheng of Beijing's Economic Daily bidding fiercely yesterday in the city's first property auction. Guo dropped out at the last minute and the 10,000sq metre city centre site was bought by a Sino-Thai joint venture, Fu Hua Construction Development, for Yn130m ($15.3m), about 20 per cent above expectations. *Other Chinese cities such as Shanghai have been auctioning properties for* more than a year as a means of establishing a fair price. Beijing's real estate exchange commissioned the property consultants, Richard Ellis of Hong Kong to conduct the sale.

Britain heads for fresh clash on Hong Kong

By Peter Montagnon, Asia Editor, in London

Britain and China were heading for another bruising row over Hong Kong last night after three days of talks in London failed to produce a consensus on the establishment of the territory's court of final appeal.

Mr Hugh Davies, head of the British delegation, said the colonial government would *nonetheless proceed early* in the new year with legislation to establish the court, which is to be Hong Kong's supreme judicial authority after it reverts to China in 1997.

Mr Zhao Jihua, his Chinese counterpart, warned that the UK should not take unilateral actions before agreement had been reached on the details of the legislation.

Tabling of the legislation by the British side seems set to bring the matter to a head in a way reminiscent of the decision by Hong Kong Governor Chris Patten *to* proceed with his electoral reform proposed in 1992.

Britain has argued that it needs to establish the court in time to provide legal continu*ity for Hong Kong after* 1997, but there have been suspicions that China is prevaricating *because it would prefer not to* be saddled with arrangements in which Britain has had a hand.

Mr Zhao declined yesterday to give specific reasons for China's *reluctance to endorse the* bill setting up the court. China and Britain had agreed in principle as long ago as 1991 the basis on which the court should be set up, he said.

But he told a meeting of the joint liaison group set up by the two countries to administer handover arrangements that China had only recently been *given* the text of the bill and needed more time for discussion.

"*Pending a consensus* reached by the two sides through discussion, no unilat*eral action should be taken by* the *British* side," he said.

The proposed arrangements for the court of final appeal are controversial in Hong Kong because the bill provides for one judge to be appointed from overseas. While China is apparently reluctant to be tied down specifically in this way, some liberal politicians are reluctant *to accept wording that seems* to limit foreign participation to one judge.

British officials believe that putting the bill before the Legislative Council will force the issue, because the council would only vote for a bill providing for the participation of a *single foreign judge* if it was clear that China would accept the result after 1997.

This week's meeting did reach agreement on a series of issues ranging from Hong Kong's continuing participation in international agree*ments on intellectual* property and on the signing of a bilateral air agreement with Germany.

But it was clear after the talks closed that a wide gulf remains on a number of important issues. Mr Davies said no progress had been made on the dispute over the colony's ninth container terminal, for which China refused to sanction contracts.

"I urged the Chinese side to lift what is in effect a veto on the project and pointed out once again the damage which this continuing delay is inflicting on the economy of Hong Kong and on investor confi*dence more widely*."

There was also no progress on the question of travel documents and *rules on right of* abode after 1997, an important area where "time is rapidly running out", he said.

For its part the Chinese side complained about Hong Kong's plan to set up a reserve fund for civil service pensions and – in an apparent reference to relaxation of the laws on film censorship – about unilateral changes to existing legislation which Mr Zhao said was out of line with the original agree*ment on the handover*.

China was also "gravely concerned" about the recent release into the Hong Kong community of 125 Vietnamese boat people. China wanted the question of Vietnamese refugees dealt with before 1997, he said.

Despite the disagreements, Mr Davies said he would not *characterise the meeting* as a failure and added that agreement had been reached to step *its work and hold more expert* consultations.

"But I am afraid that the result does not match up to what is required and expected of us," he said.

"It is clear that we are going to have to do much better in the next two and a half years if we are to live up to what people rightly expect."

Forty telecom groups in big cable deal

By Alan Cane

The future of Flag, a privately funded fibre optic communications cable linking Europe and the Far East through the Mediterranean and Indian Oceans, *now* seems assured.

This week 40 telecoms carriers including AT&T and Sprint of the *US* and *KDD of Japan* signed agreements committing themselves to purchasing capacity on the cable when it is completed in early 1997. The agreements define the operating and maintenance responsibilities for the cable.

Flag (Fibreoptic Link Around the Globe) will be, at 17,000 miles, one of the world's longest *communica*tions lines providing 120,000 digital circuits and serving about 75 per cent of the world's population.

The managing partner in Flag is Nynex, the regional Bell operating company. Other investors include Dallah Al-Baraka group of *Jeddah*, Saudi Arabia, Marubeni Corporation of Japan and Telecom-Asia, a joint venture between Nynex and Charoen Pokphand of Thailand.

Total funding for the project is expected to be $1.2bn of which about $600m has been raised as equity finance.

Flag Limited, the operating company, said it had signed a $1.2bn contract with AT&T Submarine Systems and KDD *Submarine* Cable Systems to construct the system. Construction is expected to beging in the first quarter of 1995.

Mr Gabriel Yackanich, *Flag* chief executive, said this week's agreements marked the first cable system funded by private investors which will permit carriers to buy capacity at true market rates.

Minister blamed for sugar scandal

By Stefan Wagstyl in New Delhi

Mr Kalpnath Rai, the Indian food minister, yesterday came under renewed pressure to resign *following the publica*tion of a government report which found him "fully responsible" *for* the costly mishandling of a sugar shortage this year.

The government, which had earlier maintained the report blamed several officials and ministers, yesterday bowed to opposition party demands to publish the *full* report. The report said Mr Rai had aggravated a sugar shortage by delaying imports in order to push up sugar prices to the benefit of sugar producers.

Mr P V Narasimha Rao, the prime minister, wants Mr Rai to quit so that he can remake his cabinet and exclude scandal-tainted ministers, following recent state elections in which corruption was an important issue.

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TREND

Suharto bypasses minister in tariff row

By A Jakarta Correspondent

President Suharto of Indonesia has created a new committee *to take charge of tariffs and in* the process raised eyebrows by reducing the power of finance minister *Marie Muhammad* in the formulation of Indonesia's trade protection policies.

The move has prompted speculation in Jakarta that the creation of a new group and Mr Marie's reduced role in it may be due to his public rejection to of a request for tariff protection by promoters of a huge petrochemical project called Chandra Asri.

The $1.6bn project is majority owned by timber tycoon Prajogo Pangestu of the Barito *Group and Mr Suharto's* second son Bambang Trihadmodjo of the Bimantara group.

Analysts say the growing controversy has already raised questions about Jakarta's commitment to promote greater trade liberalisation, especially after Mr Suharto hosted the recent summit of the Asia-Pacific Economic Co-operation (Apec).

In a presidential decree this month Mr Suharto ordered the establishment of the new tariff team, which will displace the current three-minister group headed by Mr Marie.

The new team will be chaired by co-ordinating minister for industry and trade Mr *Hartarto, who was not a part* of the previous tariff team. Mr Marie, who is widely respected by the international financial community, will be deputy chairman.

Investment Minister Sanyoto Sastrowardoyo said this week the new team will would reformulate government policies on tariffs and help "optimise functions" of the existing tariff team.

Last week a Chandra Asri director Mr Peter Gontha told a *Parliament* committee that the project, which is scheduled to come onstream by the first *quarter of 1995, will need tariff* protection of up to 40 per cent to shield it from the potential threat of dumping by foreign companies. Critics maintain that protection would only ensure the promoters quicker returns on their investment and give it control of a vital industry.

The request evoked hostile reactions and drew almost immediate opposition from Mr Marie. The minister said all projects must comply with *existing tariff policies without* exception.

Mr Sanyoto has openly sup*ported tariff protection* for the project. Mr Hartarto has not publicly declared his position, but several economists and government officials say he is a strong advocate that Indonesia should develop its own petrochemical industry.

According to government officials the new tariff team will take effect on January 5.

Reforms fail to cut the cost of bribing voters

Japan's long and dishonourable tradition of "money politics", thought to have been banished by voter disgust and political change, may be reviving, writes **Gerard Baker**

Mr Hiroshi Mitsuzuka, the leader of one of the smaller factions in Japan's Liberal Democratic Party, threw a *party for sev*eral thousand of his closest friends. The ostensible purpose *was to celebrate the publica*tion of his book. Nothing was left to chance in ensuring the *gathering's success, though* – former ministers in the faction were each encouraged to sell *1,000 tickets at Y30,000 (£190) to* their wealthier supporters, and even first year members of parliament were expected to palm off 200 tickets.

But there was, of course, an ulterior motive – fund-raising for the faction. When the last book had been signed a total of Y135m had rolled in, less than had been hoped for, but a use*ful addition to the group's cof*fers.

The event was just one of a sudden rush of fund-raisers in the last month. After a long lull in parties' revenue-raising efforts, the political cash registers have been ringing again. The demand for funds is considerable – next year will see a rolling programme of elections *in Japan – local elections in the* spring, followed by national upper house elections in summer, and throughout, the threat of a general election at any time.

*But the recent round of polit*ical money-spinning events has raised fears that Japan's long *and dishonourable* tradition of "money politics", thought to have been banished by voter *disgust and political reform*, may in fact be enjoying a revival.

A succession of revelations of corruption in the last 20 years hardened the cynicism of the Japanese towards their political bosses – from the Lockheed affair in the 1970s to the Recruit affair of the 1980s and recent construction-related scandals. But while these were the most lurid of the cases of corruption, what came to trouble the Japanese more was the fact that a myriad of unpublicised cases testified to the fact that the entire political system ran on money.

But all that was supposed to have been ended by the voter backlash last year that swept the LDP out of office for the first time in nearly 40 years. The political articulation of the *popular disgust was the reform* package instigated a year ago and passed into law last month, with the backing even of a chastened LDP. These reforms come into effect on *Christmas* Day, *but there are* widespread doubts about precisely what effect they will have *in ridding the country of* "money politics".

The problem cannot simply *be ascribed to the venality of* politicians. Like everything else in Japan, politics is an *expensive business. In order to* get elected politicans have to spend vast sums of money on a pliant electorate. For decades the unchallenged dominance of the LDP meant that political competition was based not on ideological lines but on pecuniary ones – who could spend the most money to buy the most votes.

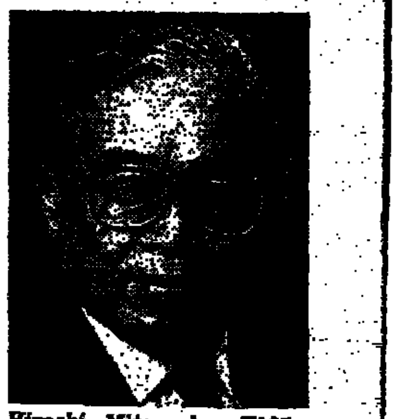
The reforms were supposed to have taken away both the cause and the effect of this demand for political "hot" money. Japan's system of multi-member constituencies was identified as the cause. Because more than one politican from the same party could run *against* each other, *the election* often became a race between war chests. The politican who could *spend* more lavishly *on* the voters would be the winner. Replacing that with pre*dominantly single-member* constituencies means only one candidate from each party can *run, so, the theory goes*, the election turns not on money but on ideological and policy *differences*.

Cynics always regarded the likely benefits of the new sys*tem as doubtful*. The progress of Japanese politics in the last six months makes it highly *unlikely that* the system will change substantially. The nominal coalition government of socialist and Liberal Democrats is in fact dominated by LDP members and policy and it will be the principal governing party in the next election, faced by an assortment of forces under the banner of New Frontier Party. What *these opposition parties* have in common is that they were mostly once parts of the LDP.

"The idea that there is an ideological divide in Japanese politics is even more far-fetched now than it was in the past," says Mr Rei Shiratori, head of the *Japan Institute for* Political Studies. "The next election will be fought essentially between the *current* LDP and an opposition made up of former LDP members. "That means the *differences* will again be marginal and will come down to who spends the *most*."

And the battle is actually set to become more expensive. The reform cuts the number of individual constituencies by half, replacing them with members elected from a national list. So there are now fewer constituencies. "That means the number of votes required to win an individual seat has risen sharply," says Mr Dan Harada, a political consultant, "So even more money will have to spent on bribing the voters."

But, argue the supporters of reform, that ignores another change *that will reduce* political donations. But here too there is scepticism. Though the new law envisages a phasing out of contributions to indivdual politicans within five years, politicans are starting to get around the prohibition by simply shifting their funding vehicle from themselves to their branch party. The law *does not forbid such* donations. "In effect, politicans will go on receiving money, but in the name of their loacal party," says Mr Shiratori.



Hiroshi Mitsuzuka: Y135m fundraising party

This may be too cynical a view. One pro-reform member *of parliament* says: "Last year the voters voted for real change. If they don't get it they will punish the politicians again."

That blithe view will be tested in the next year by the arrival of the new system at Christmas. The voters will get a chance to express their distaste again for the past political order. But for the time being, as the LDP holds firmly onto the reins of power, the book launch spree seems likely to run and run.

مكبرا من الاصل

هكذا من الاصل

Bitter Tory dispute over poll culprit

By Kevin Brown, Political Correspondent

The Conservative party was locked in bitter recriminations over the Dudley West by-election yesterday as senior ministers and disaffected rightwing backbenchers disputed the blame for the Tory candidate's disastrous performance.

Amid Labour jubilation at the unexpectedly big swing of 29 per cent against the government, Mr John Major described the vote as a "very poor result" and issued an urgent call for party unity.

He said: "I think some good can come out of it, providing people realise within the Conservative party that we are all pulling in the same direction for the same cause at the same time and against the same opponent."

Rebel rightwingers blamed the defeat on the prime minister's unwillingness to bow to demands for a shift to the right on crucial issues such as Europe, taxation and public spending.

Mr John Wilkinson, one of nine MPs suspended from the parliamentary party, said the Tories faced a "wipe-out" on the scale of the Canadian Progressive Conservative party, which lost power and all but two seats last year.

Mrs Teresa Gorman, another suspended rebel, said: "Our supporters stayed at home because they think the policies we are pursuing are not in their best interests."

Mr John Townend, the rightwing chairman of the Conservative backbench finance committee, called for tight spending controls and tax cuts. "We have to return to basic Conservative polices," he said.

Mr Jeremy Hanley, the party chairman, sought to calm the storm by forecasting continued economic recovery. He told MPs: "We have to stick to our guns to make sure individuals feel the benefits of that in the coming two . . . years."

Mr John Bright, Mr Major's former parliamentary private secretary, told BBC radio that "a divided party is never a party that gets a lot of support".

Tony Andrews

Ian Pearson, by-election victor, and his wife Annette with their children in a Dudley shop yesterday

The bickering prompted a warning from Sir Norman Fowler, a former Conservative chairman. He wrote in the London Evening Standard that voters "fear the party has a political death wish". He added: "Conservatives should be absolutely clear what this means. If we go on like this then we will make a gift-wrapped present of the next general election to the Labour party."

Mr Anthony Coombs, the Conservative MP who ran the party's campaign, blamed Tory in-fighting for the disaster. He said: "If you have the kind of things happening like the last two weeks you are damaged accordingly. Unity is very important."

Mr Tony Blair, the Labour leader, said the victory demonstrated the need for further modernisation of his party to consolidate support from the centre ground of politics.

He said: "The agenda for the 1980s may have run its course but people want an agenda for the 1990s. They don't want to move the clock back." He plans to demonstrate soon that his modernising faction reflects the mainstream views of party members.

Stranded by a Labour tide
Page 9

Labour sights set on Midlands citadels

By Paul Cheeseright, Midlands Correspondent

Labour's celebrations of its victory in the Dudley West by-election, which started at 1.30 yesterday morning, spilled over later in the day into a mood of breezy optimism about prospects in the West Midlands, traditionally the cockpit of British electoral politics.

Mr Tony Blair's warning against complacency notwithstanding, the reaction was natural. Although the Conservatives had been resigned to the likelihood of massive defeat, Labour won more handsomely than it had dared expect. The 29.3 per cent swing "exceeded our wildest expectations on a small turnout," an official said.

The thinking was that a majority of 6,000 to 7,000 would have been creditable, while a swing on the same proportions as the 21.3 per cent achieved in the 1990 Mid-Staffordshire by-election would have been outstanding.

But there is dispute about Conservative voting patterns. Only 7,706 turned out to vote for Mr Graham Postles, the Conservative candidate – 27,023 fewer than voted Tory at the 1992 general election.

The missing Tory voters might have stayed at home because the weather was bad, the day was inconvenient or the electoral register was out of date. On the other hand, the government might have forfeited their loyalty and they changed allegiance to Labour.

Conservatives yesterday clung to the first set of possibilities.

Mr Postles said by-elections were a chance for a protest vote. He added: "Even given that opportunity, people have chosen not to exercise it. Conservative voters have chosen not to exercise it."

A Labour official claimed the opposite: "This was a breakthrough with voters who had ignored Labour for 20 years." He cited the example of the Kingswinford wards, where rates of owner-occupation are more than 84 per cent and Conservatism has been a habit of life. There, he noted, the turnout was among the highest in the constituency.

The Dudley West by-election, the first in the West Midlands since the last general election, saw Labour carrying on from where it left off in 1992. Then, it won eight of the 10 seats it made priority targets.

The optimism in the party yesterday sprang from the belief that the Dudley West victory brings within closer reach the winning of Conservative seats such as Birmingham Edgbaston, Birmingham Hall Green, Burton-on-Trent, Wolverhampton South West and Worcester.

● All the drama of Dudley West has become a historical footnote. The Boundary Commission has decided that Dudley East and Dudley West will become Dudley North and Dudley South. The southernmost ward of Dudley West will go to Stourbridge.

Eurotunnel sets fares for car services

By Charles Batchelor, Transport Correspondent

Fares for car drivers in the Channel tunnel will be £49 for a day return when Le Shuttle services start on Thursday.

Eurotunnel, the tunnel operator, said yesterday that a five-day return for a car with driver and passengers would cost £75. A standard return, required on longer trips, would cost £136.

Eurotunnel's one-day returns are lower than the brochure prices quoted by its ferry rivals but much higher than the special fares on offer. P&O European Ferries and Stena Sealink list a weekday price of £72 return between Dover and Calais in their brochures but have a special offer for December of just £20.

Stena Sealink said Eurotunnel had promised that it would be charging a premium price for a good quality service, but these prices indicated that it was launching a price war with an inferior product.

Mr Christopher Garnett, Eurotunnel's commercial director, said: "Our fares are highly competitive. While we will not enter a price war we are confident that we will attract customers to our fast, hassle-free system." P&O said Eurotunnel would be starting with very limited capacity and would have little effect on its ferries.

Le Shuttle's standard return and five-day return fares in December are lower than the ferry fares. Between January and March the ferry fares will fall sharply, however, and will be almost the same as those of Eurotunnel.

More than 1,000 people bought the one-day return tickets in the first hour when over-the-counter and telesales started yesterday. Customers will be required to book their tickets in advance until the end of March, when Eurotunnel will switch to a turn-up-and-go service.

The shuttle journey takes 35 minutes from the Folkestone terminal to the Calais terminal, although the total time including check-in and loading is about an hour. Passengers drive their cars on to the double-deck shuttle carriages and remain in or near their vehicles.

The launch of the passenger shuttles, 18 months behind schedule and seven months after the official inauguration of the tunnel, completes the range of tunnel services.

Freight shuttles started in May, through freight services followed in June and the Eurostar trains, for passengers only between London, Paris and Brussels, started in November. The shuttle will provide initially an hourly service between 8am and 8pm seven days a week. It will move to 24-hour operation and increase the frequency of departures in January.

CROSS-CHANNEL FARES COMPARISON

Period	Ticket	Le Shuttle	P&O	Stena Sealink	Hoverspeed
December 8am-8pm)	1 day Return				
	Sunday-Friday	49	20	20	*75
	Saturday	49	40	40	†85
	Standard return	136	190	180	219
	5-day return	75	124	124	139
January-March	1 day Return				
	Sunday-Friday	49	n/a	n/a	60
	Saturday	49	n/a	n/a	60
	Standard return	136	139	138	149
	5-day return	75	76	76	89

* Sunday-Thursday † Friday-Saturday § Brochure tariff not available although P&O expects to charge £20 and Stena will also offer special sales.

Source: The companies

Premium bonds repel lottery

By Scheherazade Daneshkhu

The launch of the National Lottery has not affected sales of premium bonds, National Savings said yesterday.

Gross premium bond sales were £161m for November – an increase of £34m from October.

Mr Alan McGill, controller of the Premium Bonds office, said: "This confirms our belief that premium bonds appeal to a different market from that of the National Lottery."

National Savings said people who bought tickets for the lottery did so on impulse, unlike those who bought premium bonds. The minimum lottery ticket purchase is £1 compared with a more thought-provoking £100 for premium bonds.

Mr McGill said sales of premium bonds this year amounted to more than £1.7bn, more than combined sales for the previous five years.

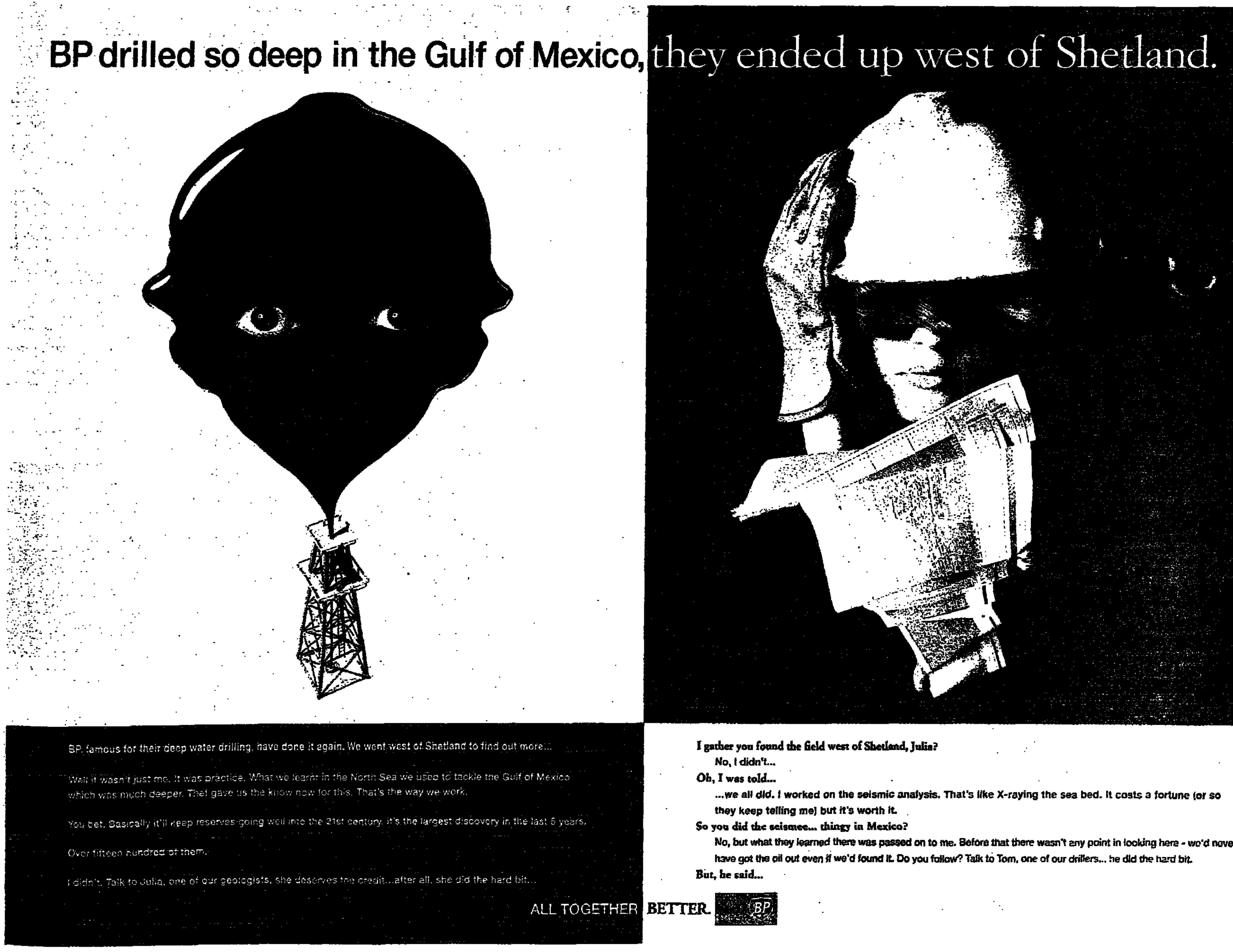
Sales had been aided by the increase in the jackpot prize to £1m in April and the reduction in the qualifying period to take part in the draw to one month from three months.

National Savings' contribution to government funding in November was £249m, down from £287m the previous month. Of this, accrued interest totalled £170m. The highest contributions were from premium bonds at £130m and savings certificates at £113m. Net sales were £79m and gross sales £776m.

The total amount invested in National Savings at the end of November was £51bn.

● The government is to review the regulations guaranteeing anonymity to winners of the National Lottery, Mr Iain Sproat, the national heritage minister, told the Commons yesterday, Kevin Brown writes.

He told MPs during a debate on the lottery: "We ought to protect anonymity very rigorously and, clearly, it has not worked this week. We must look again at how to make it work."



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I didn't. Talk to Julia, one of our geologists, she deserves the credit...after all, she did the hard bit...

I gather you found the field west of Shetland, Julia?

No, I didn't...

Oh, I was told...

...we all did. I worked on the seismic analysis. That's like X-raying the sea bed. It costs a fortune (or so they keep telling me) but it's worth it.

So you did the seismee... thingy in Mexico?

No, but what they learned there was passed on to me. Before that there wasn't any point in looking here - we'd never have got the oil out even if we'd found it. Do you follow? Talk to Tom, one of our drillers... he did the hard bit.

But, he said...

ALL TOGETHER BETTER. BP

Plan to clarify building society membership

By Alison Smith

Everyone who puts money into a building society would become a member of that society under plans drawn up by the government to clarify the relationship between societies and their savers.

The Treasury intends to do away with the difference between deposit accounts – in which savers do not *become society members – and* investment accounts, where they do get membership rights.

The move is part of the Treasury's review of what powers societies should have and how they should be answerable to the 30m-plus individual members who own them.

The results are expected to be published in mid-January, but legislation to implement the review's conclusions is unlikely to be introduced before 1996 at the earliest.

The change to a single type of savings account is intended to ensure that customers are in no *doubt about whether they are* members of the mutually owned societies.

Removing the distinction between investments and deposits could also have the effect of speeding up conversion plans being considered by societies, since the change is likely to make it harder for a society's board to get members' consent to becoming a public limited company.

The 1986 legislation on building societies restricts the allocation of cash or free shares when a society changes status either by being taken over or by becoming a public limited company.

It says that only members who have been investors for at least two years can benefit, although a wider range of members can vote. The presence of a group of members who can vote but who are ineligible for a handout reduces the prospect that a society will meet the requirements of the 1986 act, which sets high proportions of investors who must approve conversion for it to go ahead.

Both announcements this year by societies planning to become public limited companies have raised aspects of this issue.

When Cheltenham & Gloucester, the UK's sixth biggest society, said how it would allocate the £1.8bn cash bid by Lloyds Bank for the organisation, it decided to include depositors but had to leave out relatively new investors. This meant that some people who had saved with the society for many years but had switched between accounts could not share in the money.

When Halifax and Leeds Permanent, two of the UK's biggest societies, last month announced plans to merge and then convert, they closed their investment accounts and *almost immediately opened deposit* accounts. This enabled them to take in savings without acquiring new members who would then have an interest in delaying approval of conversion plans until they too could benefit.

In other respects the Treasury's conclusions resemble the suggestions made by the Building Societies Association.

These include giving borrowers more voting rights and loosening the restrictions on societies' activities.

Proposals suggesting consultative committees of members and places on a society's board reserved for directors nominated by members have been dropped.

Lex, Page 20

Ex-directors are charged with fraud

By Tim Burt

Two former executives of MTM, the specialist chemicals company which almost collapsed two years ago, were yesterday charged with fraud following a lengthy investigation into one of the most rapid corporate declines in the UK chemicals sector.

Mr Richard Lines, former chairman, and Mr Thomas Baxter, former finance director, have both been charged with false accounting, conspiracy to commit false accounting or furnish false information, and making false or misleading statements under the Financial Services Act.

The charges mark the end of a 2½-year inquiry by the Serious Fraud Office, which was called in after MTM shocked the City by reporting pre-tax losses of £20.6m for 1991, *against expectations of a £23m* profit. The share price fell from 290p to 25p after the losses.

Mr Lines and Mr Baxter both resigned in March 1992, shortly before the company announced its full-year results.

Although officers conducting the inquiry declined to comment on the allegations behind the charges they are understood to relate to problems *highlighted in the group's 1992* report and accounts.

According to those accounts: "It became apparent that in previous years a number of transactions appeared to have been incorrectly recorded, several accounting policies were applied inappropriately and the group's profitability had been incorrected stated.

"Furthermore, following a detailed review, the values at which certain assets were carried in the group's balance sheet were found to be materially over-stated."

Yesterday, however, lawyers acting for Mr Lines denied he had been involved in any wrongdoing. Mr Simon Catterall of Jacksons, solicitors, in Stockton-on-Tees, said: "He is utterly shocked and appalled by these allegations. They are just not true and will be vigorously contested. Mr Lines has dedicated himself to developing major British international chemical companies which in the Teesside area alone have been responsible for creating employment for over 1,000 people."

Solicitors for Mr Baxter were unavailable for comment yesterday. Both men have been bailed to appear at Northallerton *magistrates on February 8.*

Since their resignation, MTM has contracted rapidly, with its market capitalisation falling from £256m to £30.4m.

Its decline has been marked by an aggressive divestment programme to reduce its debts – dominated by the sale last year of most of its assets to BTP, the leading speciality chemicals group, for £106.7m.

MTM noted in a statement to the stock exchange that the charges against Mr Lines and Mr Baxter "do not relate to the company itself nor any current director or employee".

A company spokesman said a number of employees had been interviewed by the SFO and had co-operated fully with its investigation.

Carsberg rejects price war inquiry

By Neil Buckley

Sir Bryan Carsberg, the *director general of fair trading,* has rejected a call for an investigation by the Office of Fair Trading into supermarket price wars.

Sir Bryan says in a letter in today's Financial Times that he believes price competition is important to the consumer and he has no "convincing evidence" of collusion or anti-competitive behaviour by supermarkets.

He was responding to a letter in Wednesday's FT from Mr Hugh Raven, co-ordinator of *the Safe Alliance, a coalition of* groups promoting sustainable agriculture, and Prof Tim Lang, professor of food policy at Thames Valley University, warning that below-cost promotions by big supermarket groups were bankrupting the "traditional high street butcher and specialist producer".

Letters, Page 9

PSBR goes into £3.54bn deficit

By Peter Norman,
Economics Editor

Britain's public-sector finances *swung heavily into deficit last* month, but the shortfall of £3.54bn appeared to reflect one-off factors rather than a serious deterioration.

Yesterday's news from the Treasury and Central Statistical Office of a sharp swing from October's £551m budget surplus to the large public sector borrowing requirement in November surprised the City, which had been anticipating a deficit of about £2bn.

However, analysts remained confident that the government is on track to meet or undershoot the Budget forecast of £34.4bn for the PSBR in 1994-95.

Britain recorded a cumulative deficit of £22.7bn for the first eight months of the current financial year compared with £29.3bn between April and November 1993.

Excluding privatisation proceeds, which were a negligible £2m in November, the PSBR so far this year has totalled £36.5bn compared with £32.7bn in the first eight months of 1993-94.

November's bigger than expected borrowing requirement exceeded the £2.91bn recorded in November last year. The deterioration reflected a sharp drop in local authority debt repayments to £407m from £1.29bn in November last year when local authorities had high capital receipts from asset sales before the introduction of tougher controls on their spending.

The swing from surplus to deficit between October and November also reflected unusually favourable conditions in October. The government had privatisation proceeds of £1.47bn and especially buoyant corporation tax receipts in that month.

Total cash receipts rose 8 per cent to £144.5bn in the first eight months of 1994-95, outstripping the 2 per cent growth in cash outlays to £170.4bn in the period.

Among specific taxes, corporation tax revenues were 30 per cent higher at £11.8bn in the eight months while value added tax receipts rose nearly 12 per cent to £27.8bn. Total Inland Revenue receipts rose 14 per cent to £53.9bn. Customs and Excise receipts were 8.5 per cent higher at £47.4bn, while social security contributions rose 11.5 per cent to £26.3bn.

Martin McCullough

Dropping in: Labour leader Tony Blair meets members of the 2nd battalion, the Parachute Regiment, in Northern Ireland yesterday

Bruton keeps Adams meeting brief

By John Murray Brown in Dublin

The first meeting between Mr John Bruton, Ireland's new prime minister, and *Mr Gerry Adams, the Sinn Féin president,* was little more than a handshake yesterday as the prime minister decided to delay formal negotiations with Sinn Féin until next week.

The Irish premier faces a punishing schedule in appointing his administration. Nonetheless his apparent coolness towards Mr Adams is seen as a shift of emphasis in Dublin's relations with the republicans.

The first meeting was expected to take place on the margins of yesterday's *session of the Forum for Peace and Reconciliation* in Dublin. But Mr Bruton made only a brief appearance. Sinn Féin said nothing substantive was discussed, although the sides agreed to meet soon.

Mr Bruton's election could mark an important change in Ireland's policy to Northern Ireland. His appointment was broadly welcomed by hardline unionists in the north. Mr Bruton's views on Ulster have been much more sympathetic to the unionist point of view than that of other southern politicians.

Mr Bruton is "absolutely committed" to continuing the forum, although he has been critical of its ill-defined role under the outgoing administration.

Mr Bruton spoke to Mr John Major, the prime minister, by telephone yesterday. An Irish government official said the two leaders might meet as early as next week, probably in London.

GDP growth rate expected to rise

By Peter Norman

Expectations of UK economic growth have moved up and forecasts of inflation down *since Mr Kenneth Clarke,* the chancellor, unveiled his second Budget last month.

The Treasury's latest monthly survey of 38 independent forecasts found average expectations of gross domestic product growth are now 3.8 per cent for this year and 3.2 per cent for 1995 compared with 3.5 per cent and 3 per cent in November. In his Budget, Mr Clarke forecast growth of 4 per cent this year and 3¼ per cent in 1995.

Expectations of inflation have moderated since the Budget, although the forecasters surveyed tend to be slightly less sanguine than the Treasury.

The forecasters expect underlying inflation, which excludes mortgage interest payments, to be 2.2 per cent in the current quarter and 2.9 per cent in the fourth quarter of 1995.

These expectations compare with November's consensus *forecasts of 2.4 per cent for this* year's fourth quarter and 3.2 per cent for the end of 1995 and the Budget forecasts of 2 per cent and 2¼ per cent.

In its survey, the Treasury covers areas such as unemployment which do not feature in its own published forecasts. The independent forecasters expect unemployment to continue falling although forecasts for end-1995 range from 2m to 2.6m.

The Treasury is not publishing its interest rate forecasts.

But, according to another survey of forecasters, published by research company Consensus Economics, the City's average expectation is for 3 month interbank rates to rise to 6.6 per cent in three months time and to 7.2 per cent by December 1995.

Regulation urged for digital TV

By Raymond Snoddy

Regulatory intervention is urgently needed if viewers are to get full benefit from the digi*tal television revolution, con*sultants Arthur D. Little said yesterday.

The firm says in a report for the BBC that without regulation companies which owned "conditional access systems" – the decoder boxes which unscramble subscription television signals – would be able to create effective monopolies.

The danger was that viewers might need several decoder boxes to watch all the new services.

The firm says that if monopoly owners of conditional access systems were allowed to emerge "the development of new digital services could be stifled".

The report comes before Monday's hearing of the European parliament's economic and *monetary committee,* due to be attended by many of Europe's broadcasters and operators of decoding systems.

Arthur D. Little believes a mandatory "common inter*face" standard is needed so* that one decoder box would be able to handle the subscription cards of several operators.

The BBC has called on the government and the European Commission to create a regulatory framework to ensure that there is no opportunity for monopoly abuse. It would include:

- Standards so customers could buy decoders compatible with all available systems.
- Licensing so decoder boxes could receive all channels using proprietary systems.
- Arrangements for owners of conditional access systems to carry rival channels if capacity was available.
- Fair pricing and transparent accounts when operators also run television channels.
- *Binding arbitration.*

Pensions bill prescribes inflation-linking and compensation

By Norma Cohen,
Investments Correspondent

The government's long-awaited pensions bill, launched yesterday, sets out for the first time the criteria that will have to be met by those sponsoring, administering and advising occupational pension schemes in Britain.

The bill, which runs to 127 pages with 153 clauses, provides for a progressive rise in the ages at which women are eligible to earn state pension benefits and alterations to the National Insurance contribution rebates offered to those with personal pensions.

All occupational pensions will have to offer some protection against inflation and, for the first time, there is an attempt to ensure that benefits of insolvent schemes are spread more equitably among members.

The government estimates *that the bill will increase* the Department of Social Security's operational costs by £20m in the 1997-98 fiscal year and that employers' recurrent costs will rise by £165m a year as they meet the requirements of index-linking pensions.

It is also estimated that new minimum solvency requirements will cost employers in aggregate between £290m and £400m in the next 12 years – although the abolition of guaranteed minimum pensions will cut their costs.

The bill's main elements are:

- Creation of a seven-member Occupational Pensions Regulatory Authority. The members will be appointed by the gov*ernment, but at least one is to* be suggested by the life insurance industry, one by employers' groups, one by trade unions and one by pensions professionals. There is provision that a further two will be generally knowledgeable about pensions.

The authority would have power to appoint and remove trustees where appropriate, to set civil penalties, to wind up schemes, and to order restitution.

It would also have the power to require scheme advisers, trustees and sponsors to hand over documentation to it on request, and would have the power to inspect premises.

*Its powers would be enforce*able with the aid of a justice of the peace.

The regulator will require a staff of 200 from 1997.

- All occupational schemes will be required to have member-elected trustees.

For schemes with at least 100 members, at least one-third of the trustees must be member-elected. For smaller schemes there will be a minimum of two. It is proposed that these trustees could be removed only by the unanimous vote of all the other trustees.

The bill does, however, allow employers to avoid having member-appointed trustees if they comply with an unspecif*ied "statutory consultation pro*cedure" which results in agreement that such trustees are unnecessary. A member-appointed trustee would lose his or her post if he or she left employment voluntarily or was sacked.

- For the first time, trustees of schemes will have specific obligations and duties assigned to them. There are to be fines of up to £5,000 for certain rule breaches, with eventual disqualification.

The bill proposes that trustees be responsible for ensuring that limits on self-investment in the employer or the granting of loans to the employer are followed.

Trustees will be responsible for appointing actuaries and auditors for the scheme and, for the first time, they will have specific obligations towards the professional fund managers of a scheme – in that they will have a duty to set investment principles for fund managers to follow.

- Inflation-linking of pensions, with a requirement for annual increases in line with the retail price index up to a maximum of 5 per cent. This rule has existed since 1990 but there have never been regulations to implement it.
- Schemes will have to comply with a new minimum solvency requirement, although the *terms of the standard* are not specified in the bill.

Schemes falling below certain levels of solvency will require additional injections of funds, although the bill does not specify what the time limits for such injections would be.

- Rules about how the assets of a scheme are to be treated if it is wound up are set out for *the first time.*

Among other proposals, schemes whose assets are insufficient to pay all promised benefits must limit inflation-proofing for existing pensioners until there are enough assets to cover basic pension *promises to* deferred pensioners.

Current rules allow existing pensioners to draw index-linked pensions in full while those who may be nearing retirement could lose a significant portion of theirs.

- A new Pensions Compensa*tion Board is to be created* with at least three members. Compensation will be financed by a "post-event" levy on all occupational schemes.

It is intended to cover as much as 90 per cent of a scheme's shortfall in instances where "there are reasonable grounds for believing that the reduction was attributable to an act or omission constituting a prescribed offence".

The compensation board will have the power to borrow from commercial banks or directly from the Bank of England to finance immediate payments to pensioners.

- A pensions ombudsman is to be appointed, with greater power than the present ombudsman to investigate complaints and adjudicate on disputes.

Politicians from all parties were yesterday bracing themselves for a series of marathon late-night debates on the pensions bill, the largest item of legislation to be brought before the current session of parliament, James Blitz writes.

At the end of a week in which the bill was laid in the House of Lords, government ministers did not disguise the technical difficulties they will face in getting its 153 clauses through the upper house and the Commons.

The bill, which covers a wide range of issues, from occupational pensions to the equalisation of the retirement age for men and women, will be debated in the upper house at "second reading" on January 24.

After a Lords committee stage beginning in early March, it will be brought to the Commons in May. It would have to complete all its stages in both houses by the end of October to get on the statute book.

The government's difficulty in pushing the Criminal Justice Bill through the last session of parliament demonstrated the pitfalls that can occur when debating large and complex legislation.

There were so many amendments to the bill drawn up by Mr Michael Howard, the home secretary, that it had to be concluded in parliament's "spillover" period at the end of the session.

Implementation of the pensions bill should be easier. The Labour party has said it will approach debates on the legislation in a positive spirit and there is cross-party support for the principle of building in safeguards for occupational schemes.

But business managers will face *some problems.*

Tory MPs – led by Mr Winston Churchill, member for Davyhulme – are threatening to introduce an amendment increasing pensions for overseas residents. If the government fails to back the principle, costing £230m a year, there could be protracted debate – and even a rebellion – on the issue.

Government ministers are also certain to be heavily over-worked in pushing the measures through late-night committee sessions.

Two junior social security ministers – Mr William Hague, who drafted the white paper on occupational pensions, and Mr James Arbuthnot – will guide the bill through the Commons.

But Mr Hague is also charged with implementing important legislation on disability rights and may not be present for all the debates.

Mr Frank Field, Labour chairman of the social security select committee, said yesterday that he expected the bill to run into timing difficulties. "There is no system of timetabling debates in the Lords, so they can go on for quite a while," he said. But he added: "It is crucial we get the legislation right because there will never be a bill of this kind again in our lifetime."

Scottish health tables published

Official statistics which for the first time show variations in death rates between National Health Service hospitals were *published in Scotland* yesterday, Alan Pike writes.

The report containing the figures was accompanied by a strong warning from Lord Fraser, Scottish health minister, that it was not a league table of good or bad hospitals.

He added: "Still less is it about death league tables for Scottish hospitals. This report provides no direct comparisons between hospitals and health boards either in relation to the quality of care or the effectiveness of service."

Industrial areas of Scotland have one of the world's worst records for deaths from conditions such as heart disease and cancer. Many researchers are likely to see the figures as confirmation of the social and economic factors behind this poor health record, rather than a test of the performance of individual hospitals.

The report does, however, show a range of differences between hospitals. Nearly 30 per cent of heart attack patients, for example, died within 30 days of being admitted to Fife Healthcare Trust compared with fewer than 16 per cent at *Edinburgh Western* General hospital. The Scottish average was 21 per cent.

Berkshire opposes shake-up proposal

Berkshire County Council's policy committee yesterday decided to seek judicial review of the proposal to split the county into five unitary authorities.

The council had previously worked with the county's districts on a plan to split it into four unitary authorities – which combine the functions of districts and counties.

But councillors say that the plan for five unitary authorities would be too expensive. The Local Government Commission, which announced the plan on Thursday, estimated that its proposed structure would create extra administrative costs of between £3m and £7m.

Berkshire wants residents to be canvassed on whether to retain the status quo.

Sir John Banham, chairman of the commission, described previous attempts by counties *to seek judicial review* as a "waste of public money", and none of his recommendations has yet been overturned by the courts.

Treasury seeks to shed 23 mandarins

The Treasury yesterday announced that it is seeking up to 23 volunteers for redundancy among senior staff, following endorsement of radical internal restructuring plans by Mr Kenneth Clarke, the chancellor.

The department wants up to eight volunteers among its grade 3 staff, who are just below the Treasury's directors in the hierarchy, and up to 15 at grades 4 to 5 – these traditionally count among the cream of Whitehall's mandarins.

The aim is to reduce the number of senior management posts from 100 to 75.

No-claims discount for Pool Re clients

The government has agreed to a "no-claims discount" for policyholders at Pool Re, the government-backed reinsurance company which was set up after an IRA attack on the City of London to help provide terrorism cover.

Mr Michael Heseltine, trade and industry secretary, announced yesterday that next year's premiums would be payable in two instalments. The first 60 per cent is due at the start of the policy period and the remainder at the end. But if total losses notified to Pool Re do not exceed £50m the second instalment will be waived.

Derbyshire police 'inefficient' again

Derbyshire's police force is set to be refused a certificate of efficiency for a third time, Mr John Newing, chief constable, said yesterday. His force remains the only one in the country to be declared inefficient.

Mr Newing said he had been told the refusal was because of continuing finance problems with the Derbyshire force. Senior officers in the county predict a gap in *funding of* about £10m.

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No-claims discount for Paul Re claims

Derbyshire police 'inefficient' again

Retailers pressed on warranties

By William Lewis, Neil Buckley and Ralph Atkins

Electrical goods retailers ought to implement Office of Fair Trading recommendations on the sale of extended warranties before Christmas, Mr Nigel Griffiths, Labour's consumer affairs spokesman, said yesterday.

The OFT report, published yesterday, criticised techniques used by many retailers to sell warranties and the wide disparity between the prices of warranties on the same goods.

Extended warranties are insurance policies providing extra protection against product breakdown after standard manufacturers' guarantees expire. More than 5m warranties are sold every year in a market worth £400m.

The report called for retailers such as Dixons and Comet to provide customers with information on the prices and conditions of extended warranties – including those offered by manufacturers.

Sir Bryan Carsberg, director-general of fair trading, said he would soon examine the setting up of a code of practice to regulate warranty sales.

Mr Griffiths said: "Millions of electrical goods will be bought in the week before Christmas, and I want to see retailers taking action now to ensure that the mis-selling stops."

Sir Bryan said he would consider a Monopolies and Mergers Commission reference if retailers failed to implement the OFT's recommendations "without delay". He was looking for "early moves towards the provision of full point of sale information".

He said he would expect retailers' profit margins on extended warranties to fall more in line with margins on product sales. City analysts believe warranties account for a large part of many electrical retailers' pre-tax profits.

The report highlighted the wide price discrepancies between warranty policies offered by different retailers and manufacturers for the same products (see table).

Dixons, the UK's biggest electrical retailer, said its sales practices already reflected most of the OFT's recommendations. Since the OFT started its investigation, Dixons has introduced in stores leaflets carrying comprehensive price lists of its warranties.

Kingfisher, owner of Comet, the second-biggest UK electrical retailer, said it was introducing a computer system in stores to provide information on both product and extended warranty prices.

Extended Warranties on Electrical Goods – A Report by the OFT. PO Box 2, Central Way, Feltham TW14 0TG. 081 398 3405.

PRICES OF FIVE-YEAR EXTENDED WARRANTIES

[illegible]

Aerospace industry celebrates a silver lining

Andrew Baxter and Roland Adburgham assess reaction over the decision to order 25 Hercules aircraft

Managers and unions in the British aerospace industry reacted with delight yesterday to the news that the UK would return to full membership of the European Future Large Aircraft programme.

The decision more than offset disappointment in some quarters that Lockheed was awarded a £1bn contract for 25 C-130J Hercules II aircraft – the first step in the replacement of the Royal Air Force's 60-strong fleet of ageing Hercules transport aircraft.

Even here there was good news for equipment suppliers which have won business from Lockheed.

Sir Barry Duxbury, director of the Society of British Aerospace Companies, said: "Companies across the UK aerospace industry will benefit immediately as suppliers to the C-130J."

As the head of one aerospace supplier said: "The government seems to have made the right decision for once. They've found a way to please everyone."

The deal with Lockheed is estimated to secure 3,500 jobs in the UK well into the next century. But the government's decision to return to full membership of the FLA programme has a long-term significance that could safeguard or create thousands more.

Sir Barry said: "It assures the industry of the full commitment of the government to the FLA programme, which is of strategic importance to the future of the UK and European aerospace industries."

The government also announced that between 40 and 50 FLAs would be needed to complete the replacement of the old Hercules fleet and cover other possible air transport requirements.

That, together with the commitment to the FLA programme, enabled British Aerospace to shrug off the defeat in its hard-fought battle with Lockheed.

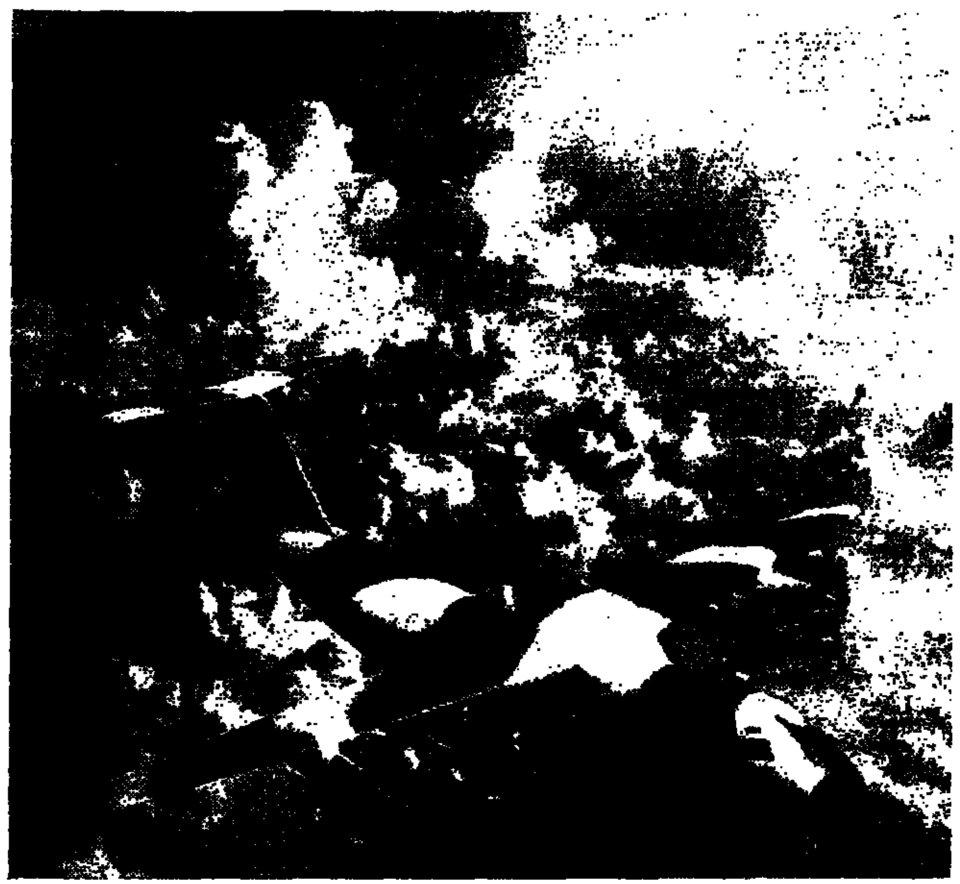
The UK company had offered a refurbishment programme to tide the RAF over until the FLA becomes available, which will not be until at least 2002. But Mr Malcolm Rifkind, defence secretary, concluded that refurbishment would provide poor value for money.

In recent weeks BAe – sensing perhaps that it was losing its case for refurbishment – had been arguing strongly for Lockheed's contract to be limited to as few as 10 or 15 aircraft. Any higher number was seen as potentially damaging to UK participation in the planned FLA.

The award of 25, therefore, looks at first glance like a blow for BAe's hopes. But, as it argued yesterday, the government's decisions on the FLA – and its stated requirement for 40 to 50 new aircraft – mean that the UK company looks set to obtain the share it was looking for from the programme.

The decision to rejoin the FLA project will, therefore, help safeguard the future of BAe's plant at Filton, Bristol. The plant, which employs 4,500 people, designs and makes wing structures for the European Airbus. Without the FLA its 1,500-strong design team faced a six-year gap before the next generation of Airbus needs wing development.

BAe's FLA project team of about 20 people is based at Filton. The company hopes the plant will undertake the wing development work for the FLA.



An artist's impression of the European Future Large Aircraft, which will not be available until 2002

But the decision on the FLA has implications that go beyond the defence field. BAe had feared that staying out of the programme would have caused it to lose its design leadership on wing technology to German industry.

The aircraft's wings would have been designed and manufactured elsewhere, which in turn would have weakened BAe's position in the Airbus consortium when the next set of wings needs designing.

Overall, the UK's decision to buy 40 to 50 FLAs could guarantee that the UK aerospace industry has a 20 per cent share in work for the programme.

Not surprisingly, therefore, both Mr Dick Evans, BAe chief executive, and Mr Paul Gallagher, general-secretary of theAEEU engineering union welcomed the decision yesterday. It was "tremendous news" for aerospace workers, said Mr Gallagher. Mr Evans said it was extremely welcome for jobs in this "vital high-technology industry".

UK aerospace equipment suppliers were delighted by the award of the Lockheed order. As an offset, the US company has agreed to place £1bn of contracts with British companies, and at least 10 per cent of this will be related to the C-130J itself.

The Ministry of Defence says about 36 UK companies will participate in the production of the Lockheed aircraft. Even before yesterday's announcement, several UK suppliers had won contracts from Lockheed, and pointed out the importance of winning business on an important "launch order" for a new aircraft.

Dorset-based Meggitt, for example, will win $5m (£3m) of business supplying equipment for the aircraft's engine housings, to be built by Westland. Meggitt is hoping to win other work directly from Lockheed, said Mr Ken Coates, its chairman. "It's very important to be in at the start of a programme such as this."

Dowty, part of the TI Group, will supply propellers for the C-130J, made with the latest composite material technology. The deal safeguards 270 jobs at Dowty's propellers factory at Gloucester. Given the long timescales involved in the the FLA programme, some immediate new business was welcome, it said.

Rolls-Royce, the big aero-engine maker, said the decision on the FLA programme would make it easier for it to participate. But it should also benefit from the Lockheed order, as the engines for the C-130J are supplied by Allison Engine of the US, which Rolls-Royce is in the process of acquiring.

A lukewarm reception from potential partners

By Bruce Clark, Diplomatic Correspondent

Yesterday's twin-track announcement – a firm decision to buy 25 Hercules aircraft and a declaration of interest in buying up to 50 Future Large Aircraft – received a lukewarm reception from Britain's potential partners in the FLA project.

On one hand the British decision makes it more likely that the FLA – whose viability is still in the balance – will materialise.

On the other there is scepticism in France and Germany about whether Britain really will find the money to buy as many as 50 FLAs, given that the order for 25 Hercules C130J aircraft was on the high side of expectations.

The high estimate for possible FLA purchases was seen in continental Europe as a thinly veiled attempt to ensure for British industry the all-important contract to build the new aircraft's wings.

British Aerospace, UK partner in the FLA consortium, has said that unless the government commited itself to the FLA the UK could lose its role as a wing manufacturer in future civil projects as well.

DASA, the German member of the consortium, makes no secret of its interest in making the wings for the FLA if Britain stays out.

British officials have stressed that they see the immediate need for Hercules C130J and the medium-term attractions of the FLA as separate issues. But for the FLA partners the British decision to become a launch customer for C130J amounts to a considerable boost for that project which would affect the European aircraft's hopes of export to third countries.

Experts put the minimum number of west European orders to ensure the FLA's viability at about 200, assuming 50 sales to non-European countries.

Given that France and Germany are both in the market for about 60 aircraft, Britain might make all the difference between success and failure. But renewed British participation, and British claims for a substantial share of the work, could diminish the attractiveness of FLA among smaller European states.

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Saturday December 17 1994

Policing the utilities

There is a palpable sense of national unease about the activities of many of Britain's privatised utilities.

It is symbolised by the decision of British Gas to station security guards outside its showrooms to deflect the wrath of customers angry at the withdrawal of services. Something seems awry in a world where senior managers get 75 per cent salary increases while seeking to cut the pay of their employees; where massive redundancy programmes run alongside accelerating profits; and where shareholders – yesterday it was the turn of Yorkshire Electricity's lucky investors – receive large payouts while consumers feel they are paying over the odds to what remain monopoly suppliers of essential services.

Not all the privatised companies are in the dock. British Telecommunications, after a period of deep unpopularity in the late 1980s, attracts favourable ratings.

The contrast between BT and the gas, water and electricity companies explains the unpopularity of the last three. The salary of BT chairman Sir Iain Vallance was notorious while BT was an inefficient, expensive monopoly. Now BT's prices are falling fast; telecoms regulation is seen to be tough; competition between phone operators is a reality in the consumer market; and although a heavy BT redundancy programme is in progress, consumers, not shareholders, are regarded as the main beneficiaries.

By contrast, water prices have gone up sharply since privatisation. Gas prices are to rise for many consumers over the next year. Electricity prices are falling somewhat, but by nowhere near the decline in the cost of distribution – the main source of the regional electricity companies' profits. And in none of the three industries is competition yet a reality for most consumers. In water, it will never become so.

Caught in the cross-fire

In addition, jobs have been shed at a dramatic rate, while dividends and top managers' salaries have risen sharply. It only took the egregious provocation of Mr Cedric Brown's 75 per cent salary increase as chief executive of British Gas, at the same time as the company is seeking to cut the basic pay and holiday entitlement of its showroom staff, for MPs to start calling for public inquiries. The employment select committee this week decided to investigate executive pay in the new year.

How justified is the concern?

In some respects, the utilities are doing no more than ministerial bidding. The gas and electricity companies were caught in the cross-fire over the government's unpopular decision – now partially abandoned – to levy 17.5 per cent value added tax on domestic fuel. The increase in water charges has been caused in part by onerous EU directives on water quality, which the government tried too late to persuade Brussels to reconsider.

That still leaves the fundamental issues of executive pay and the balance which the gas, water, and electricity companies have struck between their employees, shareholders and consumers.

Unconvincing claims

The arguments about executive pay have been extensively rehearsed in our letters column with respect to Mr Brown. Managers must be paid according to responsibility, and multi-billion industries need to be able to attract top-flight executives. But it is hard to claim that large salary increases and generous share options are required to "incentivise" individuals who were already willingly in post. It is equally unconvincing to claim that executives need to be rewarded for managing a shift towards competition and business abroad, which has largely still to happen. The public feeling that it comes down to greed is difficult to resist.

On cost cutting, the utilities should be offered nothing but applause. In almost all cases, redundancies have been voluntary and on generous terms. The benefit to the nation as a whole from lower utility prices must outweigh any temptation to use the utilities as a source of unproductive employment. Britain has the lowest business telecoms prices of its main European competitors – a significant factor in the competitiveness of its financial services sector, upon which hundreds of thousands of jobs depend.

However, in other utilities too much of the gain from efficiency gains has gone to shareholders instead of consumers. This is manifestly the case with the regional electricity companies. Interim dividends up to 47 per cent higher than last year are currently being announced. The water and electricity companies have done far better than expected in their cost cutting, but virtually all independent observers believe the regulatory regime established at the privatisation of the two industries was unduly slack, and has been insufficiently tightened in the latest reviews.

The boards of the utilities should have greater regard for public sensibilities in setting their salary levels. But it is the regulators who ought to ensure that a fairer balance is struck between consumers and shareholders.

President Clinton is fighting back against attempts by the Republicans to marginalise him, says **Jurek Martin**

Race to escape the juggernaut

It has come down to this. When the Democratic president of the US goes on national television for what is universally agreed to be a very important speech, as Bill Clinton did on Thursday night, the Republican party does not even bother to field a heavy hitter to deliver its statutory response. Instead of a Dole, a Gingrich or a Gramm, it offers the country Fred Dalton Thompson.

In fact, Mr Thompson, elected to the Senate from Tennessee last month in the Republican midterm landslide, is a familiar face on TV, mostly because he was an actor. He therefore delivered his lines well and one sentence said it all: "From what we heard tonight, the president's vision of the future now looks a lot like what Republicans just campaigned for – at least until we start looking at the details."

Earlier in the day, Senator Phil Gramm of Texas, who is enough of a Republican heavyweight that he will soon declare his presidential candidacy, had dispensed with even the pretence of politesse. Whatever Mr Clinton proposed would be "a non-starter", he intoned, as he outlined his party's minimum tax cut positions.

On Wednesday, Senator Robert Dole and Congressman Newt Gingrich, respectively majority leader and Speaker in the next Congress, wrote to the president, not only presuming to tell him what he ought to say but also warning him of the consequences of not signing up to the Republican agenda. "The American people aren't the only ones watching," they said. "So is the world and its young democracies emerging from generations of government oppression."

The game now afoot in Washington is the attempted marginalisation of the chief executive by the suddenly ascendant Republican majority. It is a high-risk strategy, conducted with a mixture of boldness, arrogance and certitude that goes far beyond even the sweeping ambitions of the early years of Ronald Reagan's presidency, tempered as they were by the fact that at least the Democrats still ran the powerful House of Representatives.

It is predicated on the conviction, as yet untested by time, that an angry and bitter country has run out of sympathy with Bill Clinton and fallen head over heels for the new conservative orthodoxy. The latest piece of evidence was a New York Times public opinion poll this week which found a far greater inclination to trust Congress with the nation's affairs than the president, whose approval rating was below 40 per cent.

The poll also revealed much ignorance about the Republican "Contract with America" (and even about Mr Gingrich himself) and less enthusiasm for some of its more extreme propositions, but that message was for the moment secondary.

In fairness, Mr Clinton has not been in hiding since his electoral debacle. He has attended three summits – two of which (the Asian one in Jakarta and the American version in Miami) may be deemed successful, while the failure of the third (in Budapest about eastern Europe) was hardly his fault. He led the fight last month for congressional passage of the Gatt trade treaty.

Yet, allowing for dutiful media coverage of the above, the real headlines have been culled from every syllable dropped from the non-stop lips of Messrs Gingrich, Dole and Gramm and their acolytes.

This has led to the powerful perception of a president on the ropes. As R.W. Apple put it in the New York Times this week, "he has been dangerously silent until now. He has left the initiative to Republicans ... their confidence and audacity has deepened the Democrats' demoralisation; a Democratic senator said this week: 'it's hard to see how we escape from this wilderness'".

His own party has turned on him. Dave McCurdy, the overweeningly ambitious ex-congressman from Oklahoma still smarting from his own defeat for the Senate, described his old colleague-in-arms in the struggle for the Democratic middle ground as "a transitional figure". This week, Richard Gephardt, the new minority leader in the House, rose from a sickbed to present his own middle-class tax cut proposals without waiting for his president, thus staking out the independence of the congressional party from the administration. A Los Angeles Times poll found two-thirds of Democrats hoping Mr Clinton would be challenged for the party presidential nomination in 1996. With friends like these, the president hardly needs Republican enemies.

But real friends have been deserting him, too. It was no secret that Lloyd Bentsen wanted to leave the Treasury after two hard and successful years, but even his departure somehow could not wait until the dog days of Christmas. Equally David Gergen, all-round counsellor, was known to be going, though, typically, he departed with some ambiguous comments about the president's soul. Yesterday Dee Dee Myers, the first woman White House press secretary, confirmed that she, too, would be out by the end of the year.

Less easy to explain is the speed with which Mr Clinton ditched Dr Joycelyn Elders, his surgeon general. Black, outspoken and from Arkansas, she has long figured at the top of the conservative hit list for her blunt discourses on Aids, drugs and sex. She went after saying during a speech at the UN that masturbation was properly a part of sex education; her comments went unreported at the time, but the White House sacked her once it came out that a news magazine was about to make a retrospective meal out of the incident.

It is not a one-shot attempt at redemption, but a step in the campaign to climb out of the political abyss

This left the impression that just about everybody close to or distant from the president was now fair game and that he would do little to protect them. George Stephanopoulos, the trusted presidential adviser, is in the Republican gunsights as a symbol of outdated liberalism. Rumours persist that Jim Woolsey, head of the troubled CIA, and Tony Lake, national security adviser, are living on borrowed time.

A midterm reshuffle of portfolios is normal, but this one, when it comes, will also have to run a Republican gauntlet in Congress (though Robert Rubin, Treasury secretary-designate, should be safe). Each appointment up for confirmation will be turned into a debate on political and social principles, no light prospect for a president accused of lacking core beliefs.

No subject now consumes the media more than the political soul of Bill Clinton, especially in contrast to the certitudes of Mr Gingrich. Much like John Major in Britain, the president has few defenders in the fourth estate, the difference in the commentary of the two countries lying more in the degree of venom directed at the person and character of Mr Clinton. A popular Washington talk radio programme after the speech on Thursday night was consumed by the most demeaning criticisms ("he's just a scared boy," one caller said, with no demur from the hosts).

A thoughtful article by Adam Gopnik in a recent New Yorker magazine accurately noted that "however you feel about Bill Clinton, no other American president since the 1870s has been hung up by his thumbs so soon and left there to hang for so long". The author found the fault to lie mostly in the media, consumed with instant judgments, appearances over substance and lacking any real political convictions of its own, beyond a spurious pretence of objectivity. Even William Safire, the conservative but never predictable New York Times columnist, suggested this week that a closer reading of some of Mr Clinton's overlooked recent remarks proved he was "alive and well and living in the White House" and ready for the Republican challenge.

But more typical of the prevailing media mood was a column by Meg Greenfield, the influential editorial page editor of the notionally liberal Washington Post. She wrote that it would be as dangerous for liberals to underestimate Newt Gingrich as they once had Ronald Reagan ("if they just holler and mock and talk about Hitler and relevant things like that, Gingrich wins"). Her article could be read as an overture to the new Speaker that could lead to an editorial kindness comparable to that her newspaper used to bestow on Mr Reagan.

Mr Clinton himself recognised the mood of the times in his speech by calling for an end to "the politics of personal destruction and demonisation that have dominated too much of our debate". Yet the contemporary reality may be that he will have to bite back himself to survive in these shark-infested waters.

In this respect the new Republican hierarchy presents some tempting targets, with Mr Gingrich particularly prone to shoot off his mouth. It is, for example, far from clear that America is ready for the recreation of orphanages on a grand scale as an antidote to collapsed family structures. Nothing would unite disaffected liberals (and thoughtful conservatives) so much as his proposed elimination of federal funding for public, non-commercial broadcasting. Nor would there appear to be much appetite for his proposal to bomb the Bosnian Serbs back into the Stone Age. The New York Times poll found little enthusiasm for restoring prayer in schools or eviscerating the welfare state.

Other Republicans, too, seem consumed with the hubris of the moment and the defensiveness of Mr Clinton, forgetting that the fault lines in a party without a favoured presidential contender have in no way been reduced by its electoral triumph. Mr Clinton may look vulnerable against *any* Republican, but as soon as that candidate takes a human shape, different calculations may be made.

Thus the fairest, if not the instantly popular, interpretation of Mr Clinton's first significant response to the new political climate is not to see it as a one-shot attempt at redemption but as the first step in a long campaign to climb out of the political abyss. He offered a few modest tax cuts that may not survive the light of day and a short homily on America's crisis of confidence, all wrapped up in 10 minutes and in sum hardly amounting to Lincoln's Gettysburg address, which was also very short.

But if the Republicans are playing the game hard, Mr Clinton must also play it long. If and when Fred Thompson ceases to be the opposition's designated hitter, then the notoriously unpredictable political pendulum, forecasts of which are a mug's game these days, may be swinging back again.

MAN IN THE NEWS: ***Simon Keswick***

Power in the background

When Simon Keswick, chairman of Trafalgar House, announced this week that the company was contemplating the first hostile bid for a privatised UK utility, he was putting himself under the spotlight.

He studiously avoids personal publicity. But a contested bid for Northern Electric would bring the kind of attention from the financial press that the tabloids reserve for National Lottery winners.

As the Labour party has already pointed out, the main reason Northern is an attractive takeover target is the benign regulatory regime enjoyed by all the regional electricity companies. The companies have made substantial profits under the pricing regime put in place at privatisation.

A bid would also raise eyebrows in the City, where analysts question whether it would be in the interest of the majority of Trafalgar's shareholders. They argue that it would be driven by the needs of Hongkong Land, the 25 per cent shareholder and an offshoot of the Jardine Matheson international trading house, which is one of Hong Kong's largest businesses and is controlled by the Keswick family. Jardine is trying to expand outside Hong Kong before the Chinese takeover in 1997.

If to comes to a bid funded by Trafalgar shares, the defence will focus on the record of Simon Keswick and the rest of Trafalgar's new management team. Keswick has already come under considerable attack from the Chinese government in the context of a deteriorating relationship with Jardine.

The Chinese authorities delight in remembering Jardine's origins as 19th century opium dealers and describe it now as "a looter" and a "bad element". The animosity is both the cause and the effect of Jardine's efforts to reduce its reliance on the colony.

Jardine's suspicion of the Chinese, born of the losses it suffered when the communists took control on the mainland in 1947, has led it to move Jardine Matheson's domicile from Hong Kong to Bermuda. At the end of this year it intends to delist its shares in Hong Kong. Two years ago, it adopted Trafalgar House as its main UK vehicle.

Although these moves might seem a sensible insurance policy, Simon, and to a greater extent his eldest brother Henry, have been criticised for antagonising the Chinese unnecessarily. Some observers also believe that the Keswicks have failed to capitalise on opportunities in and around Hong Kong in recent years. But few deny Simon's achievement in turning the empire around in the mid-1980s.

When he was installed as taipan (chairman and chief executive) in 1983, the web of Jardine companies was overextended, overborrowed and overcomplicated.

"He presided over the restoration of the whole of the Jardine group and the creation of a modern conglomerate with almost no debt," says one colleague.

Until then, he had been seen as something of a socialite, without Henry's business or political acumen. According to unkind critics, Henry got the brains while Simon got the looks.

Some still question how much credit he should get for Jardine's transformation. "It was very much a team effort as he would be the first to admit," says one former colleague.

But all agree that, among his other qualities, he is a good judge of management talent. "He has a record of bringing on good people, like Nigel Rich," says one Jardine adviser. Rich has just moved from the helm of Jardine Matheson to become chief executive of Trafalgar House.

Having installed Rich at Jardines, Simon moved back to the UK while remaining chairman of key subsidiaries Hongkong Land, Mandarin Hotels and Dairy Farm (the colony's biggest grocer and 29 per cent shareholder in Kwik Save). He is also a director of Hanson.

Educated at Eton and Cambridge (briefly), he is a typical establishment figure: charming, unassuming, courteous and conventional (apart from his passionate support for Tottenham Hotspur).

"He is quiet, even in private, and not immediately very impressive," says one business associate.

Given his background, friends say he is remarkably humble. "He believes that self-promotion is very dangerous because people start to believe the publicity. While he is very confident in his own judgment, and has an ability to get to their heart of a business problem quickly, he is very conscious that the success of the business depends largely on the rest of the team."

Friends say that Trafalgar House has given him the new challenge he needs.

Hongkong Land took its stake in Trafalgar in 1992 as the engineering and property conglomerate built up by Sir Nigel Broackes was struggling. It soon became clear that Trafalgar's financial state was much worse than previously thought. Over the next 18 months Hongkong Land engineered a financial rescue that saw shareholders inject more than £700m to keep the group afloat.

The old management was eased out and Hongkong Land took effective control, although it owns only 25 per cent of Trafalgar's ordinary shares.

This is very much the Keswick way – the family calls the shots around the empire, although it owns less than 10 per cent of Jardine Matheson's shares. Such power wielded by minority shareholders tends to be frowned upon in London.

If Trafalgar does bid for Northern Electric, the target is bound to argue that shareholders in both companies are being asked to dance to Jardine's tune.

Northern is also likely to question Hongkong Land's judgment over its move on Trafalgar House, given the scale of the problems that subsequently emerged, and the attacks could well get personal.

Although Rich will be on the frontline, some of the shots are bound to be aimed at Simon Keswick. But friends insist he will not respond. "That is just not his style."

"He may be basically shy but he is not thin-skinned. People have been saying nasty things about Jardine for 150 years," says an adviser.

David Wighton

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Philip Stephens examines the ramifications of a crushing by-election defeat for the UK Tories

Stranded by a Labour tide

By-elections do not change the tide of history. They do tell us which way, and how fast, the tide is flowing.

After the defeat in Dudley West, this government is as close as any postwar administration to drowning in the breaking waves.

Everyone knew the result would be bad. In the event it was awful.

Conservatives now always seem to exceed their worst expectations. Ministers may mutter about a low by-election turnout and mid-term protest votes blues. But the 29 per cent swing from Tory to Labour – or new Labour, as Mr Tony Blair insists his party must now be called – was the largest since 1935.

Scratch beneath the surface of the opinion polls, and it is clear the electorate has not embraced the Labour cause with enthusiasm.

Many remain uncertain of Mr Blair's prospectus. But the fear that has kept the opposition party out of government for so long is fast dissipating.

One minister confessed he had not found a single Tory voter in the Midlands constituency, after half a day on the stump (it was all he could stand).

A former cabinet member chimed in that the electorate in this sensible patch of middle England regarded the Tory party as a shambles. Surveying the warring factions on the backbenches and the disunity in the cabinet, he found it hard to disagree.

Neither man had to ask why the government was more unpopular than at any time during the past 15 years.

The economic recovery is well-balanced, with inflation low and growth driven by exports rather than consumption. It is not being felt where it counts, though. Higher taxes, a squeeze on wages, and job insecurity have depressed both the incomes and the confidence of the voters.

The disenchantment is reinforced by the spectacle of a party preoccupied with its own political infighting rather than the concerns of those it promised to represent. The defeat over value added tax on fuel – smack in the middle of the by-election campaign – epitomises the problem.

An out-of-touch government was determined to double the level of the most unpopular measure since the ill-fated poll tax. The measure was abandoned not because ministers had listened to the voters but because their hand was forced by backbench Tory rebels.

Dudley West, one of the swathe of Midlands seats that will decide the outcome of the next general election, has been Tory since 1979. A mix of the old industrial and more prosperous residential areas now typical of the black country, the constituency is a natural home for the skilled workers – the aspiring C1s – who turned to Mrs Margaret Thatcher during the 1980s.

The boundaries will be redrawn before the next general election. But if Labour holds on to seats like this, Mr Blair will replace Mr John Major in 10 Downing Street.

Ministers yesterday were primed with excuses. This was a mid-term protest – louder maybe than some before it, but a protest nonetheless. Mr John Major's government, like others before it, would be forgiven once the recovery began to put money into the voter's pockets.

Look at the history, they said. The government lost seven by-elections during the last parliament. Every seat was recovered in 1992.

Remember Mid-Staffordshire? Labour under the leadership of Mr Neil Kinnock won that Midlands seat in March 1990 with a massive 21 per cent swing. At the 1992 general election it was returned safely to Tory hands.

Go back further. In November 1981, Mrs Shirley Williams grabbed Crosby for the now-defunct Social Democratic Party with a 25.6 per cent swing against the Conservatives. The chattering classes were convinced that her victory marked the beginning of the end of Mrs Margaret Thatcher's government. A year later, Mrs Thatcher won the war in the Falkland Islands. A year after that she won an impregnable 144-seat majority.

Ministers are surprisingly candid about the self-destruction of the party

But there are many threatening precedents also. The Labour government's crushing mid-term defeat in the mining constituency of Ashfield in 1977 foreshadowed the mass desertion of its traditional supporters two years later.

The Conservatives' loss of Orpington in the 1962 by-election was the precursor to the end, two years later, of 13 years of Tory rule. Mr Edward Heath's loss of the Isle of Ely in mid-1973 provided a similar premonition of impending doom in February 1974.

Closer to home, the by-election defeats of the last parliament may not have dislodged the Conservatives from power. But the succession of ever-more disastrous losses from mid-1989 onwards was a sign that the tide had gone out for Mrs Thatcher's brand of Conservatism. She went.

Mrs Thatcher, of course, had a majority of 100. Technically, Mr Major has headed a minority government since the suspension of nine Tory Eurosceptics from the party whip. Even if they are eventually brought back into the fold, the government's majority would rise to just 13. A few more by-elections and it could vanish.

For now the support of nine Ulster Unionists improves the arithmetic. As long as the prime minister retains their confidence over the peace process in Northern Ireland, the unionists are ready to sustain him in in office.

But more convulsions are threatened on the Tory backbenches. Europhobes and Europhiles have drawn battle-lines for the 1996 European Union conference on the next stage of integration. Mr Major's hint of a referendum was designed to encourage a truce. Instead it threatens a still more protracted battle.

The factionalism stretches well beyond the divide over Europe. There are pro and anti-Major camps, radicals and consolidators, self-appointed holders of the Thatcherite torch and the merely disgruntled and dispossessed. Like the factions that nearly destroyed Labour in the early 1980s, these cliques see party infighting as a way of life. The Tory coalition is on the edge of disintegration.

Press Association/Tony Andrews

Shirley Williams's 1981 victory in Crosby did not herald a sea-change – but does Ian Pearson's in Dudley West this week?

The divisions have spread to the cabinet. Mr Major does not have a grip over his colleagues. He is unable to prevent them from promoting their own agendas, personal and political.

To listen, say, to Mr Michael Portillo, the employment secretary, and to Mr Kenneth Clarke, the chancellor, is to imagine two politicians from different political continents. Both are contenders for the future Tory leadership. Neither seems willing to call a halt to the sniping that could destroy their inheritance.

Publicly, cabinet ministers insist the divisions can be bridged, the wounds healed. But in private moments, the same ministers are surprisingly candid in contemplating the party's self-destruction.

One of Mr Major's colleagues ventured this week that defeat at the general election was inevitable unless the party managed to seal the fissures. And defeat, he suggested, would be followed by a holocaust that would deprive the Conservatives of power for 15, maybe 20, years.

Forget about turning tides, he said. Mr Major's successor would inherit a funeral pyre.

Wrapped up in cable

Tony Jackson previews the explosion in home TV services

How many TV channels can you handle? If you are British, you may get by quite happily with four. If you live in parts of New York, you could be faced with 150.

If that seems daunting, a new system shown this week in the town of Orlando, Florida, by the US media giant Time Warner is calculated to terrify. In this system of the future, the number of channels is theoretically limitless: hundreds, thousands or even millions – as many channels as the system has users.

The immediately striking part of the new system – installed on a test basis in a handful of Florida homes – is so-called video on demand.

Suppose you want to watch the film *Basic Instinct*. You call it up with your remote control, press the button and it starts immediately. If the phone rings, you stop the film. If you get to a boring bit, you skip forward or rewind.

As Time Warner's chairman, Mr Gerald Levin, told reporters in Orlando on Wednesday, the aim is to do everything a conventional video recorder can do, without having to go out and rent the video.

In itself, that is a trivial improvement. But it has profound implications for home entertainment services. The system works by storing films in a kind of digital warehouse, from which they can be instantly recalled. Just as the whole contents of the Library of Congress could eventually be stored digitally for access by computer users, so a system like Time Warner's could ultimately contain every film ever made.

The system also contains home shopping. Conventional US home shopping channels, such as QVC, offer products at the times the broadcaster decides. If the channel is showing DIY goods when you want children's toys, hard luck.

The Time Warner system takes you into a mock-up of a shopping mall and walks you around. When you get to the right store, you press the button and go in. The Chrysler showroom shows you the latest models; for technical details, press the button and they appear from the printer next to the TV set. Go into the post office, and you can order a book of stamps to be delivered with your mail the next morning, or ask for a postman to pick up a parcel within three hours.

Or take video games. The system has the usual state-of-the-art arcade games, where you roam around corridors shooting at things. But it also lets you play games with other people. Wednesday's demonstration in Orlando offered the curious spectacle of the chairman of Time Warner playing a hand of gin rummy with a family on the other side of town.

As Time Warner insists, all this is merely illustrative. Nobody knows what kind of services consumers will want, or how much they will pay for them. Now the system is set up, it will be used as a test-bed. Over the coming months, up to 4,000 homes will be plugged in, and their inhabitants watched like laboratory rats.

Early in the new year will come news on demand: if you arrive home 10 minutes late for the six o'clock news, you can still call it up from the beginning. Next will arrive sports on demand, music and educational services.

As Time Warner says, the applications are practically limitless, at any rate in theory. The printer can provide you with a catalogue, a theatre ticket or an individually compiled home newspaper. It all depends on what people want.

The answer to that will also determine whether Time Warner has wasted a great deal of money. The project was first announced early last year, and is badly behind schedule. It has also been roundly condemned in parts of the US press as an unaffordable white elephant.

At Wednesday's grand-scale demonstration, the sense of relief among Time Warner executives as the system went through its paces was almost palpable. The project may lack believers, but at least it works.

How much money is at stake is a matter for conjecture. According to Mr Levin, Time Warner will invest $5bn (£3bn) in round terms over the next five years. But as he is also careful to point out, most of the money would have been spent anyway in upgrading its existing cable network.

As a result of competitive pressure within the cable industry, Time Warner and its rivals are already investing heavily in broadband networks, based on optical fibre, which will provide a better version of their existing service. This technology has as its by-product an enormous increase in capacity. Much of the innovation by the cable companies is an attempt to put that spare capacity to work.

The next step is to take on the telephone companies. From the middle of next year, Time Warner will be using its fibre optic system to provide a local telephone service to businesses in the Orlando area (it is already doing this in New York).

Eventually, when the regulations that currently prevent cable companies from offering telephone services more widely permit, it will do the same for the general public. And, of course, the telephone companies will be moving into cable.

In the early stages of this revolution, the new services demonstrated this week will be no more than the icing on the cake. Mr Levin candidly admits he does not know how successful they will prove.

"There are so many opportunities that I'm not smart enough to know what they are," he says. Or, as a colleague puts it, "even if the big winner is a business nobody's thought of yet, that's OK. It'll still have to come down the broadband pipe."

Two central questions remain. First, as the explosion of channels is duplicated across the nation, what will be found to fill them? Second, the average American family spends a great deal of its time in front of the TV set already. How much time will families have to spend to feed the monster which is being created?

The first question is probably a matter of timing. The growth in distribution channels has been so sudden that it has outpaced the ability of the entertainment industry to supply it. But American popular culture is robust, and many of the entertainment giants are scrambling to catch up.

The second question is less certain. Already in parts of the US, the only observable form of life is the car, shuttling between the shopping mall, the school and the office. In time, the TV could render even the car redundant.

If Orlando is the future, the American's home could end up not so much his castle as his prison.

Viewer power: Gerald Levin (left) beside a model of the remote control device, shown in action on the right

Fizz goes out of office revels

Christmas parties are too dear for some UK companies, say **Gillian Tett** and **Richard Wolffe**

Lehman Brothers is trimming back the tinsel this year: it has cancelled the Christmas party for its London staff.

The decision has brought some grumbles, and provoked some "underground" events, but it seems that the US investment bank is not alone in taking a cost-benefit approach to festive fun.

Despite the recovery in the UK economy, jollity is a commodity that some companies are finding too expensive. They want to maintain staff morale, and the image projected by a high-profile celebration is important, but many are considering carefully how much pleasure it is worth paying for.

A survey of 130 businesses by Reed Personnel Services revealed that 81 per cent of companies were still planning office parties this year, but approximately half said they expected them to be less extravagant than in the boom years.

As Mr William Deakin, owner of Juliana's party designers, says: "Parties in the 1980s were very lavish with unlimited budgets for alcohol and perhaps included cabarets. Now people cut out themes and cabarets, and after a certain point the guests have to pay for their own booze."

In some sectors an extravagant Christmas party continues to be justified as a status symbol and a display of creative skills. Ms Wendy Riches, managing director of advertising agency Ogilvy and Mather, for example, says that recent Christmas parties have involved the staff dressing up as animals to visit the zoo, and gambling fake money in casinos. "We are a bright, sparky agency so we have to do something bright and sparky," she explains.

But even among advertising and public relations agencies, the emphasis has shifted away from sheer expenditure towards greater innovation. "How much staff enjoy a party often has nothing to do with how much money is spent," Ms Riches insists.

The desire to stage a shared celebration as a way of engendering corporate spirit is also still strong. Morgan Stanley held a lavish staff party in Chelsea this year, while its bond traders celebrated among waxworks in Madame Tussauds. It also held a client party at the Royal Academy – a venue that costs £3,500 to hire, before catering costs.

Securities house Robert Fleming, which has been increasing its staff recently, held a dinner for more than 1,000 people at the Grosvenor House Hotel – an event which, according to the hotel's official price list, would normally cost about £33,000.

"Our most valuable asset is our people. We believe that a party like this is valuable because it brings people together – many of our staff are very specialised, and never have a chance to meet each other," says Robert Fleming.

But as City groups have expanded, some have found that engendering corporate togetherness is no longer feasible. Stockbroker Nomura International's guest list, for example, has risen to more than 1,400 in the past couple of years as the company has expanded. It now has difficulty cramming its staff and partners into a venue without dividing them into separate rooms – and thus dividing any corporate spirit.

"We have been thinking about cost cutting," Nomura explained. The lack of any suitable large venue in London clinched its decision to abandon its main staff party this year, it says.

Ford UK, the car manufacturer, has never funded staff Christmas parties, precisely because of the problem of size. The company used to have 50,000 employees, and it was impossible to fund a party for all of them, the management argues – but it would have been divisive if it had funded a party for a few.

The fear that a party might generate more ill-will than good appears to have been a motivating factor for other companies. They are worried about appearing profligate. The phenomenon of the extravagant office party is anyway particularly British. "You don't see drunken crowds wearing black tie on the streets in Paris at Christmas like you often see around the City," notes a trader with a French bank in London.

THE OFFICE PARTY IS CANCELLED BUT HERE IS THE CHAIRMAN'S XMAS JOKE...

UK companies are more aware of how their customers might view an expensive party. East Midlands Electricity, which recently announced a special interim dividend worth £186m, is sticking to its traditional Christmas lunch – courtesy of the company canteen and funded by the staff themselves. "If you think we are all living lavishly in the privatised sector, that would be wrong," the company says.

Government departments such as the Treasury have long relied on Christmas spirit to overcome their restrained party budgets. The Treasury's public expenditure group, for example, this year had a party featuring karaoke to enliven an otherwise modest affair.

For small companies, Christmas parties continue to play a vital role, particularly at a time of weak employee confidence.

"The benefits of a party for staff morale are very great," says Mr Charles Madden of specialist broking house European American Securities. Last year the company had a Christmas meal in a Chinese restaurant. This year, however, the six employees, plus partners, travelled to Paris to celebrate. "Paying for a weekend in Paris might sound a bit ritzy, but it's good value if you compare it with the goodwill it creates – particularly when a meal might normally cost £50 a head anyway."

But as the spending bonanza of the 1980s becomes a distant memory, a more cost-conscious approach seems likely to spread further in the private sector. Corporate Christmas frolics remain entrenched. But crackers, rather than champagne, seem likely to be the hallmark of the British Christmas party this decade.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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Bringing right people to account for malpractice

From Mr Guy Dehn.

Sir, I fear John Mason's article ("Corporate manslaughter verdict poses legal dilemma", December 13) on corporate manslaughter following the conviction in the Lyme Bay canoe trial misses the point.

Months before the disaster two instructors had written to the managing director about safety at the centre, warning that unless something was done "you might find yourself trying to explain why someone's son or daughter will not be coming home".

At the trial, Mr Justice Ognall made it clear that it was the failure to heed this warning that separated this case from any other of its kind. No doubt it was also relevant to the managing director's jail term.

If any of the five warnings about the Herald fleet sailing with bow doors open had been addressed to the managing director or board of P&O, the case in the Zeebrugge prosecution might well have been put to the jury. As it was those warnings got lost in middle management. The key point, then, is with whom a serious concern is raised, rather than merely the size of the organisation.

The message from this case is that an effective check on serious malpractice in the workplace is to make sure that those in charge know of it. Increasingly responsible leaders in the public and private sectors are open to such concerns and address them properly.

They know it is only right that, when people in their positions have actual notice of any unwarranted dangers, they can and should expect to account for their response.

If the law or good business provided otherwise, they would do little to promote the doctrine of accountability in organisations or to protect the public.

Guy Dehn,
director,
Public Concern at Work,
Lincoln's Inn House,
42 Kingsway,
London WC2B 6EN

No reason for OFT to probe loss leaders

From Sir Bryan Carsberg.

Sir, In their letter of December 14, Hugh Raven and Professor Tim Lang call for intervention by me to end the current "price war" between the supermarkets. They cited price cutting on turkeys as a cause for concern.

Price competition is very important to the consumer; without it, there would be fewer bargains to shop for, and fewer new products and services would get off the ground. Even where the competition takes the form of discounted prices, including loss leaders, I am therefore reluctant to intervene in the operation of the market without convincing evidence of collusive or otherwise clearly anti-competitive behaviour. I do not believe that loss leading on selected products – as opposed to uneconomic pricing of the whole range of product – can be expected to drive rivals out of business and reduce competition to the detriment of consumers.

I therefore do not regard the facts reported in the letter as sufficient evidence to justify intervention, though my office continues to keep a close watch on developments in the retail grocery sector.

Bryan Carsberg,
director general of fair trading,
Field House,
15-25 Bream's Buildings,
London EC4A 1PR

Government must accept risks in encouraging small companies

From Mr Michael Snyder.

Sir, Our confusion between "re-enervating" and "re-energising" the British entrepreneur, spotted by Observer in his column ("English disease", December 9) may have been a subconscious reflection of our lack of real enthusiasm for the government's policy towards small companies.

As accountants specialising in advising owner-managed businesses, we welcome the additional measures introduced in the Budget. However, our fundamental problem remains to be tackled: lack of finance for small companies. The new Venture Capital Trusts, for reasons of management economics, will prefer to make funds available in chunks of hundreds of thousands of pounds rather than the tens of thousands required by really small enterprises.

One answer lies in the Loan Guarantee Scheme, which the chancellor has promised to review. The fact that since the beginning of this financial year only £121.75m has been lent under this scheme shows how ineffective and hamstrung by red tape it currently is.

The government must make dramatic changes to simplify procedures and broaden its availability. In doing so it must recognise that it cannot expect to go unscathed – reasonable risks must be taken and some losses will be incurred. But unless a real commitment is made in this way, the small business sector will never make the contribution to prosperity and employment that it could.

Michael Snyder,
senior partner,
Kingston Smith,
Devonshire House,
146 Bishopsgate,
London EC2M 4JX

Smoke signals required

From Professor Michael Singer.

Sir, Nicholas Lander's guide to restaurant guides ("Christmas Food and Drink", December 10/11) fails to mention a significant difference between the various guides.

For the discerning diner who enjoys the subtle aromas of food and wine, freedom from the intrusion and irritation of smoke is desirable. Among the guides, Harden's and Which? report most consistently on whether a restaurant boasts a no-smoking section.

It is much more convenient to have this information in the guide than to waste time telephoning one restaurant after another, in search of this ultimate in gracious dining.

Michael Singer,
George Washington University,
National Law Center,
Washington DC 20052, US

Bizarre airport charge formula

From Mr Dermot Cox.

Sir, Des Wilson is right (Letters, December 14) that BAA's landing charges are low compared with those at airports in other countries. This is the result of a bizarre policy by BAA's regulator, the Civil Aviation Authority, whose response to BAA's monopoly has been to force it to cut its charges over the past two years (the retail price index minus 8 formula).

We have a situation at Heathrow where the demand for slots far exceeds supply and where the airport is the largest single source of noise and air pollution in London – yet charges are going down! The correct regulatory solution is to allow market clearing prices and tax BAA's excess profits.

This special treatment of the air transport industry is also seen in the exemption of airlines from paying any duty or tax on the fuel they use – contrast the government's determination to put VAT on domestic power and the massive levy on petrol and diesel.

Dermot Cox,
Heathrow Association for the Control of Aircraft Noise,
c/o 22 Ruskin Avenue,
Kew, Richmond TW9 4DJ

£1.3bn debt reconstruction could leave shareholders with 40%

QMH details rescue package

By Peggy Hollinger

Almost two years after its shares were suspended, Queens Moat Houses has detailed a £1.3bn rescue plan which could leave shareholders with 40 per cent of the heavily-indebted hotels group.

The stake is substantially higher than that won for shareholders in other large debt reconstructions recently. At Heron, which has been restructured several times, ordinary shareholders received 5 per cent of the company.

The Queens Moat package includes a £200m debt for equity swap which will allow ordinary shareholders to increase their stake if they wish. The swap is, in effect, an equity issue underwritten by its banks. However, the price is likely to be unfavourable compared with the level at which the shares are expected to resume trading.

The survival of Queens Moat is still in question, however, as one lender continues to resist the package. It must be unanimously approved by the company's 74 lenders before shareholders are allowed to vote on the proposals.

Queens Moat refused to comment on individual creditors, but it is believed that the unhappy lender is California-based Trust Company of the West. TCW, which bought Queens Moat debt in the secondary market, is thought to disagree with its ranking in the rescue package relative to other creditors.

Mr Andrew Coppel, the chief executive brought in by the banks to replace the company's founder Mr John Bairstow last year, said he was confident the proposals represented a good deal for creditors and shareholders. "The alternative is stark," he said. "The group would have to cease to trade."

Under these proposals, Mr Coppel said, Queens Moat would not have to return to shareholders for further financial support. However, investors would be unlikely to receive a dividend in the foreseeable future.

Of the company's £1.3bn debt, £200m would be converted into new ordinary shares representing 60 per cent of the group. The new shares would be issued at a price equivalent to 86p, after a 1-for-10 consolidation also being proposed.

A further £630m would be restructured into longer-term and convertible debt payable between 2000 and 2008. This would allow for a second debt for equity swap giving the lenders control of about 75 per cent of the company. Mr Coppel did not expect the second swap to be necessary; it was there as protection in the event of unforeseen difficulties.

Other elements include the conversion of preference shares into ordinary equity on substantially enhanced terms. Finally, the company is hoping to amend terms of the debenture stock. The package proposes to waive certain breaches regarding the value of the properties on which the debentures are secured.

Queens Moat's liabilities after the restructuring would be £184m. The proposals will be put to shareholders in the new year if the final lender agrees to the terms, opening the way for the shares to resume trading in the spring.

One substantial institutional shareholder said he was likely to back the proposals. "The banks could have left equity holders with nothing," he said.

Now that the restructuring is largely out of the way, however, shareholders will begin tackling operational issues, such as management, he added. "It is not necessarily the case that the people with the qualifications to get the financial restructuring out of the way are the right people to . . . run a hotel company."

Queens Moat has been in negotiations with bankers since April 1993, when it became apparent it would breach certain loan covenants. Subsequent property valuations wiped £1bn off its property portfolio and last year it reported the second biggest loss in UK corporate history.

De La Rue in further talks with Portals

By Christopher Price

Portals and De La Rue were last night locked in negotiations amid reports that the latter had made an offer in excess of £10 a share for the specialist paper group.

The all-day meeting was the second the two sides had held this week and followed the news last week that De La Rue had made an approach to Portals.

The fiercely independent Portals board is thought to consider a figure of more than £10 a share as the minimum it would be prepared to put to shareholders, with many observers expecting them to hold out for between £11 and £12.

The approach by De La Rue was made public on December 6 following a sharp rise in Portals share price.

A subsequent statement by De La Rue said that it would not make a bid without the agreement of the Portals board.

It is the second time this year the two groups have been in takeover talks. De La Rue made its first approach in May, with analysts suggesting an offer being made of about 900p per share, which was rebuffed by Portals.

The length of the latest round of talks suggests a higher offer has been forthcoming. Analysts said that an offer of £10 per share, which would value Portals at £648m, would most likely be funded by cash and equity. De La Rue has about £250m in cash.

Portals shares closed up 14p at 920p yesterday. They have risen by 215p since the news of the latest approach. De La Rue shares rose by 21p to 955p.

Last week, Portals attempted to bolster its defences by announcing a £100m contract with the Indian government, the biggest value banknote contract ever. Portals said the order, which will begin early next year, should allow the group to operate at capacity for the foreseeable future.

De La Rue is one of Portals' largest customers and is believed to be keen to acquire Portals' technology and expertise in developing banknote security features.

£188m bonus for Yorkshire Electricity shareholders

By David Lascelles, Resources Editor

Yorkshire Electricity is to give its shareholders a £188m special dividend after a period in which profits soared 32 per cent.

Mr Chris Hampson, chairman of the Leeds-based electricity distributor, said: "These outstanding results reflect the delivery of our strategy of growing the business and cutting costs."

The pay-out, which will have to be approved at a special meeting on January 13, will be worth 90p a share to all shareholders at the close of business last Thursday. The effect will be offset by a 22-for-25 share consolidation.

Altogether, the package has a similar effect to the share buy-backs which other recs have completed in recent weeks. But Yorkshire said it is fairer because it distributes the gains evenly among all shareholders. In addition to the special dividend, shareholders will receive a 15 per cent increase in the interim dividend to 7.92p.

In the six months to September 30, Yorkshire's turnover rose 10 per cent to £647m, producing pre-tax profits of £97.6m, up 32 per cent on last year's first half.

Much of the growth came from the supply business, where profits more than doubled to £8.6m. But the distribution business also produced sharply increased profits – up 23 per cent to £82m – thanks to cost savings. Yorkshire is halfway through a 1,000-job reduction programme.

For domestic customers, Yorkshire will be cutting prices by 3.5 per cent next April, when new price regulations come into force. This will bring the total price reduction since privatisation to 19 per cent in real terms.

The result was marred by a continuing loss of £3.4m at Homepower, the retailing venture jointly owned with East Midlands. Yorkshire said it would decide whether to keep, sell or close down the business by next March.

The special dividend comes at the end of a week which has seen sharp rises in electricity profits as well as indications of the first electric utility takeover bid – for Northern Electric.

Mr Hampson said that he saw no point in recs merging in the face of takeover threats. Any savings from merging head offices would be offset by merger premiums and regulatory factors. However Yorkshire would consider any actions that enhanced shareholder value.

Yorkshire Electricity

	At privatisation (1990)	Year to March 31, 1994
Turnover	£1.258bn	£1.3bn
Pre-tax profits	£100.6m	[illegible]
Net dividend	15.44p[1]	23.48p
Net cash (debt)	£32m	[illegible]
Net assets	£444.6m	£897.5m
Market capitalisation	£497.4m[2]	[illegible]
Employees	7,153	5,764
Highest paid director's remuneration	£62,270[3]	[illegible]

1 Notional 2 At offer for sale. 3 Chairman and chief executive James Porteous. Aggregate board remuneration was £372,193. 4 Chief executive J. Malcom Chetwin. Five other directors were paid more than £120,000.
Source: Company Prospectus and accounts.

● **COMMENT**

The special dividend should restore Yorkshire's favour in the City, where the perception was growing that it had lost interest in its shareholders. The sharp drop in the share price yesterday merely reflects the fact that £188m of cash will flow out of the company in January, but that should be exactly offset by the share consolidation. The result also showed that Yorkshire's efforts to grow distribution and supply profits are paying off, the first through cost-cutting and the second by finding new customers outside the region. Management also made a much-needed commitment to deal with the Homepower problem before the financial year is out. The real test will be whether the newly consolidated shares continue to trade among the sector's highest yielding stocks.

Lincoln National to acquire Liberty Life

By Alison Smith

Lincoln National, the financial services group, is in discussions over the purchase of Liberty Life Assurance, the small UK life insurer and subsidiary of Hansard Financial Trust.

The move, expected to be completed early in January, is a further stage in the rationalisation of the UK life insurance sector, where competition is intensifying and putting increasing pressure on costs.

Acquiring LLA will give Lincoln National 180 sales agents to add to its direct sales force of 590, and will increase its funds under management by almost half to £1.6bn. The number of clients will rise by almost one third to 460,000.

Mr Jeffrey Nick, Lincoln National's managing director, said there would be some redundancies among LLA support staff, but Lincoln National would be able to accommodate some LLA employees in its new head office in Uxbridge.

The acquisition is the company's third in two years – it bought Citibank Life in August last year and Crown Unit Trusts a few months earlier. As a subsidiary of an overseas parent – it is wholly owned by Lincoln National Corporation, the US investment and insurance group – it is in one of the categories of life company identified as vulnerable to a price war if it does not attain critical mass.

Mr Nick said the purchase of LLA was "clear evidence of our parent company's commitment to building a presence in the UK commensurate with its size and reputation in other markets".

With £26.9m in regular premiums and £93.4m in single premiums last year, Lincoln National was just below the 40 largest UK life companies. LLA's income was £5.2m in regular premiums and £55.4m in single premiums.

Exceptional costs push Huntingdon £71m into red

By Peter Pearse

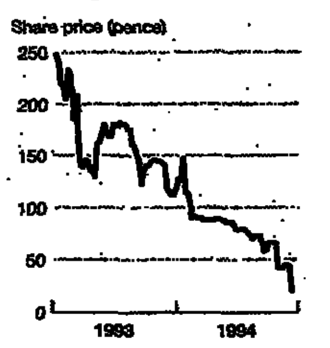
Shares in Huntingdon International Holdings dived 23p to 20p yesterday as exceptional costs of £70.8m plunged the life sciences group into annual pre-tax losses of £71.1m, against profits of £8.68m.

The group has also appointed administrators to Travers Morgan, its UK-based consultancy. HIH had been trying to sell Travers Morgan, as well as HEE, its US engineering and environmental services business, but could not find buyers at the right price.

The £70.8m (£3.01m) exceptional charges consisted of £33.9m relating to TM and £36.9m for the restructuring of HEE. Mr Christopher Cliffe, HIH deputy chief executive and finance director, said he would be "utterly dismayed" if there were to be further charges in the current year.

The group said it had made provisions of £18m since it bought TM in December 1991, and had decided not to inject further funds into the consultancy.

Huntingdon International



Source: FT Graphite

Changes in the market in the UK, a general lack of large infrastructure projects, and the government's containment of public expenditure were all cited as causes of weakened overall demand for TM's services.

Mr Cliffe said the primary responsibility of the HIH board was to its shareholders and it was "right and proper" to restrict their exposure to TM and ring-fence the consultancy by administration. He did not think there was "a large number" of TM creditors.

In the year to September 30 TM, which employs 720 people in the UK and 800 worldwide, incurred operating losses of £1.29m (profits £2.74m) on turnover of £34.6m (£37.2m).

HEE made operating losses of £1.58m (profits £5.28m) on turnover of £70.7m (£79.2m). Mr Cliffe said "part of the division's problems were attributable to poor management", adding that new management was now in place.

Profits from the life sciences side fell to £8.5m (£9.1m) on turnover up at £41.5m (£39.7m).

Group revenues, net of subcontract costs, totalled £146.7m (£156.1m); operating profits tumbled to £2.53m (£15.5m). Losses per share were 0.704p (earnings 0.073p), and losses per ADR were 5.311 cents (earnings 0.55 cents). The final dividend is passed.

Tate & Lyle in £36m Mexican investment

By Christopher Price

Tate & Lyle, the sugar and sweeteners group, yesterday announced a $56m (£35.8m) investment in Grupo Industrial Azucarero de Occidente, Mexico's fifth largest sugar group.

The UK company is buying a 49 per cent stake from the Saenz family, whose trusts will continue to own the remaining majority share. The Mexican company, also known as the Saenz Group, recorded turnover of some £89.1m for the 10 months to October 31, with pre-tax profits of £5.6m. Net assets stood at £69.3m.

Saenz has an estimated 7 per cent of the Mexican sweetener market, which produces approximately 4m tonnes a year. The top five sugar processors in Mexico account for about 60 per cent of total Mexican output and 64 per cent of refined sugar production.

Tate & Lyle said that Saenz's operation of two mills in the north-eastern state of Tamaulipas and one in Jalisco, gave quick access to the growing markets in Guadalajara, Monterrey and northern Mexico.

It added that the investment would enable the group to play a part in the fast expanding soft drinks market in Mexico. Strong demand was also expected from the food processing and retail grocery markets. The move was part of the company's strategy of expanding into emerging markets through joint ventures and partnerships.

SE commitment to small shareholders criticised

By Tim Burt

The Stock Exchange was yesterday criticised by one of its non-executive directors, who resigned earlier this week, for neglecting private shareholders in favour of global and institutional investors.

Mr David Jones, chief executive of Sharelink Investment Services, the Birmingham-based share dealing company, called for a "top to bottom" review at the exchange to help lift the profile of smaller shareholders.

After stepping down from the Stock Exchange board, which he only joined in April, Mr Jones said: "I've been getting at them for six years that they need to step up their commitment to private investors. I'm still waiting for the exchange to do something concrete."

He denied, however, that his resignation was linked to any differences with the board, on which he was expected to serve a three-year term.

In a statement, the Stock Exchange said Mr Jones wanted to devote his time to Sharelink and the advisory committee on Crest, the electronic settlement system under development by the Bank of England.

In recent months Sharelink has been dogged by low volumes and made a pre-tax loss of £468,000 in the six months to September 30. Although there had been a pick-up in orders from some investors, Mr Jones said trading remained poor.

SAIF takes 30% stake in Golden Charter

By Geoff Dyer

The consolidation of the UK funeral industry took another step yesterday with the sale to the Society of Allied and Independent Funeral Directors of a 30 per cent stake, valued at £3m, in Golden Charter, a provider of pre-paid funeral plans.

SAIF, formed in 1989, represents 500 independent funeral directors. Its members make up two thirds of the funeral directors who sell Golden Charter's plans. Mr Michael France, president of SAIF, said the deal would allow "every independent funeral director to compete in the growing funeral planning market".

The two parties said they had been in discussions for some time but the deal had been accelerated by recent moves in the UK market.

Mr Gordon Kee, chief executive of Golden Charter, said he expected the pre-paid funeral business to expand by 30 to 40 per cent over the next 10 years.

There is no immediate cash payment and the consideration depends on Golden Charter achieving profitability and growth targets. Mr Kee said details of these would be disclosed in the new year. Golden Charter is jointly owned by Mr Kee and Mr Andrew Harvey.

Ensor back in the black with £176,000

Ensor Holdings, the USM-quoted supplier of building materials, swung back into the black with a pre-tax profit of £176,000 for the six months to September 30.

The outcome compared with a deficit of £32,000 last time and with a loss of £180,000 at the March 31 year-end. Turnover for the six months grew to £7.36m (£6.93m).

At the operating level profits were £204,000 (£23,000) and the interest charge was cut from £55,000 to £28,000. Earnings came out at 0.6p (0.1p losses).

Correction

BTR

In an article in Thursday's issue, we referred to a leaked announcement and a breach of Stock Exchange regulations on the part of BTR in relation to the disposal of three subsidiaries. It has since been made clear to us that there was no breach of Stock Exchange regulations, nor was the announcement in any way prematurely or incorrectly disclosed. Accordingly there was no issue for the Stock Exchange to consider. We regret the error.

Land Securities' £76.5m sale

By Simon London
Property Correspondent

Land Securities has sold its Milton Gate office block in the City of London to AP Fonden, the Swedish national pension fund, for £76.5m.

The building is let to Price Waterhouse, the accountancy firm, on a 25-year lease from June 1990, when the building was first occupied, with a break in 2002.

The annual rent is £6.9m, or about £44 per sq ft. This is well above the current headline rents for top City offices of about £35 per sq ft.

The exit yield of 8.85 per cent reflects the fact that the building is unlikely to show rental growth for some years.

Mr Ian Henderson, a director of Land Securities, said the building had been sold at above book value, which is based on its revaluation at March 1994.

"The disposal reflects our policy of adjusting the balance our portfolio away from City offices," he said.

The acquisition is AP Fonden's second large deal in the City this year. In the summer it acquired nearby Angel Court for about £60m. The fund also owns Four Millbank, near Westminster.

Granada gives details of share options

By William Lewis

Granada, the leisure and television group, has become one of the first companies to give full details in its annual report of share options held by its directors.

Under new guidance issued by the Accounting Standards Board in September, greater transparency was urged on companies, although a few already published share option details.

The report shows that Mr Gerry Robinson, the group's chief executive, is sitting on a paper profit of £2.3m.

He has 737,500 share options which he can exercise now at a price of 184p each. Granada's share price closed the week at 498p.

Baris chairman leaves after less than a month

Mr Andrew Morton has resigned as chairman of Baris Holdings, the drylining and fire protection systems group, after less than a month. Mr John Foley has become chairman and chief executive.

Mr Morton's resignation, due to the "increasing time requirements" of the other companies of which he is chairman, came as Baris reported an interim pre-tax loss of £1.29m compared with a profit of £143,000 last time. Sales for the six months to September 30 were 33 per cent down at £5.43m (£8.14m).

This half's deficit included a £1.1m exceptional item relating to costs and write-offs as a result of withdrawal from the German market. Losses per share came out at 20.5p (0.1p earnings).

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Bankers Inv Tst	fin	0.99	Feb 28	0.98	3.9	3.68
Chemex Intl §	fin	0.1	Feb 24	-	-	-
Chiltern Radio	fin	1	Feb 24	nil	1	nil
Electra Inv Tst	fin	3.7	Feb 20	3.55	7.25	7
Huntingdon Intl	fin	nil	-	1.9	0.875	2.775
Intercare	fin	2.8†	Apr 6	2.8	3.5	3.5
Moorgate Inv Tst	int	1.7	Feb 15	1.7	-	4.25
Yorkshire Elect	int	9‡	Mar 28	6.9	-	23.48

Dividends shown pence per share net except where otherwise stated. †On increased capital. §USM stock. ‡Distribution per consolidated share: special dividend of 90p also declared.

Your Dog makes its debut with a chewy treat

Raymond Snoddy on Emap's latest launch, which is aiming to take Britain's 8m dog owners by storm

Last week Emap, the media group, launched its latest magazine, Your Dog, a glossy bi-monthly that came complete with a bone-shaped chewy treat stuck to the cover.

The cover picture featured an adorable pooch, designed to catch the eye of Britain's 8m dog owners. It had plenty of what Mr Ian Beacham, publishing director of Emap Pursuit Publishing, described as "big eyeball contact".

Inside there is plenty of practical advice, including the wisdom of holding a dog's tail with your free hand while taking its temperature.

Your Dog was the almost inevitable consequence of the successful debut of Your Cat last year after Emap journalist Ms Sue Parslow, who edited Fishkeeping Answers, pushed for and got permission to launch a new cat publication.

With the help of cover gifts that included a plastic cat bowl and special formula cat milk, Your Cat took the cat publishing world by storm with sales of more than 60,000 – yet it probably cost little more than £50,000 to launch. The latest issue of Your Cat, out this week, will have a tin of catfood attached.

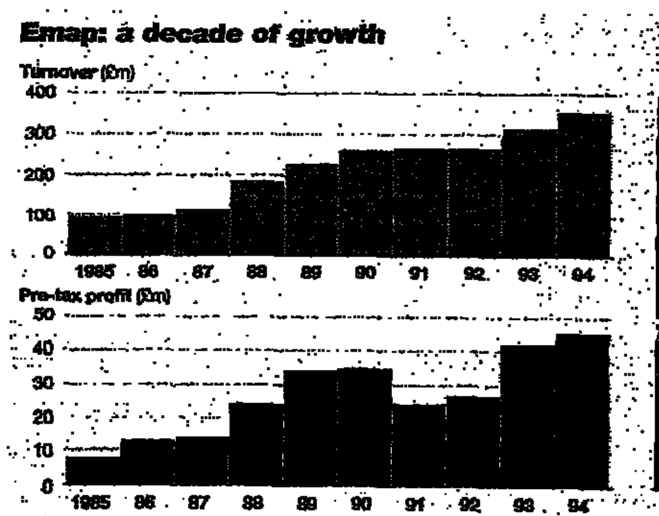
Launching new magazines is one side of Emap, a company that in the last 10 years has nearly quadrupled sales to £362m. Last year's pre-tax profits were a record £45.7m.

Another side is demonstrated by Tuesday's announcement that it was paying £60m to buy Maclean Hunter European Publishing from Rogers Communications of Toronto. MHEP, with interests in seven European countries, publishes 22 market directories, seven electronic information services and 34 business magazines, including UK Press Gazette and Werbe Woche, the Swiss marketing magazine.

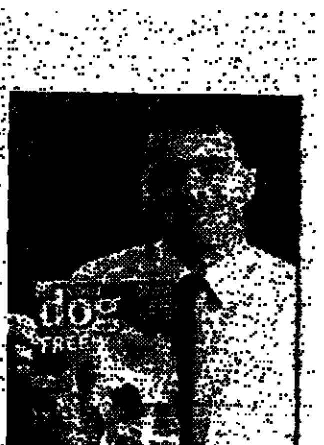
During the first half of this financial year Emap spent £197m on acquisitions, including £106m on 28 magazines from French publisher Editions Mondiales and a further 10 consumer titles from companies within the Hersant group. Despite the acquisitions – and the latest makes Emap a serious contender in the German market – Mr Robin Miller, chief executive, treasures magazine launches above all else.

"For Emap, growing and launching is more important. New product development fires up all our people. If a journalist comes up with an idea and it stands up, they might get to edit it," says Mr Miller, a former editor of Motorcycle News, one of Emap's early successes.

Emap: a decade of growth



Source: Annual report



Robin Miller
Chief Executive

The return on investment from a successful magazine launch, he adds, is particularly high.

Not every Emap magazine launch is a sure-fire hit. Jig Jag, a music magazine for distribution in music stores, was such a "turkey" that it was killed off after one issue. And Car Week, an ambitious £5m attack on the lucrative weekly car magazine market, has had a tough time. Launched in newspaper format, it failed to meet its targets and was relaunched this spring as a glossy magazine. It now sells about 60,000 copies compared with the hoped-for 80,000.

A rival publisher, while conceding that Emap has done well, nevertheless saw the problems of Car Week as a turning point.

"That was a bit of a watershed and dented their confidence," he said.

Mr Derek Terrington, media analyst at Kleinwort Benson, praised Emap's magazine success, but would like to see more excitement in its local and regional newspaper operations to justify a top rating.

Emap, which has added commercial radio and exhibitions to its more established newspaper and magazine businesses, also has new launches in mind even when it acquires other companies. The purchase of a car magazine called Practical Classics led to the launch of Popular Classics and Classic Car Weekly.

"Acquisitions give us aircraft carriers to get into new markets, new territories," says Mr Miller.

The company has paid considerable attention to the provision of professional information, often delivered electronically, to back up its business titles. Mr Miller says: "What we are trying to offer is a broadly based media solution for business, providing the connection from the seller to the buyer."

As a spin-off from its biggest consumer magazines, Emap has started to get involved in moving pictures. It is now producing golf videos to go alongside magazines such as Fore and Today's Golfer. A little further down the line, specialist television channels are possible.

One priority for next year, though, is celebrating the 300th anniversary of the founding of one of Emap's local newspapers – The Stamford Mercury, which goes into virtually every home in the Lincolnshire market town.

"We want to continue to be dominant in all these markets, whether it be the market for young women, the local market, or the market for business people interested in fleet cars," Mr Miller says.

هكذا من الاصل

GE plan
worth $

Inmarsat

SCA in SKr

Kolbensch
over T&N

Chiltern
consolidates
recovery

صكنا من الاصل

INTERNATIONAL COMPANIES AND FINANCE

GE plans share buy-back worth $5bn over two years

By Tony Jackson in New York

General Electric, the US conglomerate, is to buy back up to $5bn of its shares over the next two years. This brings total buy-backs announced this year by US corporations to a record $65bn, according to the Wall Street firm Securities Data. The previous record was set in 1989 with $62bn.

Mr Jack Welch, GE chairman, said "we have concluded that GE stock today represents the best investment we can make".

The company has not bought in stock since 1992, having spent $5bn in the period 1989-92. The programme originally announced in 1989 envisaged purchases of up to $10bn.

Large buy-backs have accelerated in recent weeks, from companies such as Merck, Chrysler and Walt Disney. However, the largest of the year was $6bn from Philip Morris, the tobacco company, announced in August.

Mr Welch said the company's strong cash generation allowed it to continue its capital investment programme, make complementary acquisitions and fund share repurchases. Moody's, the debt rating agency, yesterday confirmed its triple A rating on GE's debt. The company has gross borrowings of $5.9bn and cash of $3.7bn.

GE also said it would raise its quarterly dividend by 14 per cent to 41 cents a share. The company had lifted its dividend every year since 1975, it said. The previous increase was 13 per cent last December.

This year, GE has suffered losses estimated at $1.5bn on Kidder Peabody, its stockbroking subsidiary, which was hit by alleged fraud and is now being sold off. However, its third-quarter profits were a record $1.37bn net, a rise of 13 per cent.

Mr Welch said he expected the buy-back programme to increase the rate of growth in the company's earnings per share and its return on equity. GE shares rose $1 to $50 in early trading.

Compaq sides with Intel over Pentium

By Louise Kehoe in San Francisco

Compaq Computer, the world's largest personal computer manufacturer, has sided with Intel in the controversy over a flaw in Intel's Pentium microprocessors.

The PC maker said that after thorough analysis it has concluded the vast majority of PC users will not be affected by the flaw, which can cause errors in mathematical calculations. Compaq said it would continue to sell Pentium-based PCs. Compaq's decision is a vote of confidence for the Intel chip, following IBM's move earlier this week to halt shipments of Pentium-based PCs.

IBM says errors due to the Pentium flaw could occur once in every 24 days and users of common spreadsheet programs may be seriously affected. Intel, which was forced to acknowledge that its flagship product was flawed last month when a professor in Virginia discovered errors in his research results, contends the rate of errors is fewer than once in every 27,000 years.

Compaq said it has examined data from Intel and IBM and conducted its own study of the Pentium problem. "We have confirmed that the statistical likelihood of errors is extremely remote," said Mr Jim Paschal, Compaq vice-president of desktop computing. The assumptions upon which IBM based its calculations are valid only for very highly numeric intensive applications, he said.

Several other PC manufacturers have this week announced they would continue to sell Pentium PCs, in spite of the flaw. Critics charge, however, that such companies may be acting out of self interest to avoid stalling sales during the busy Christmas sales season.

Compaq's motives are less open to challenge because its PC models are based on earlier 486 microprocessors and the company has in recent months been highly critical of Intel's efforts to promote the Pentium chip as the PC engine of choice for home PC buyers.

Cariplo counter-bid pleases market

The Italian stock market yesterday welcomed the announcement by Cariplo, the world's biggest savings bank, that it planned a counter-bid for Credito Romagnolo (Rolo) of Bologna, in alliance with other companies.

Directors of Rolo will meet today in Bologna to discuss the Cariplo offer, announced on Thursday, and the previous bid from Cariplo's Milanese rival Credito Italiano (Credit).

On Thursday, Rolo said it had received the offer "with interest". "The announcement firms up the hypothesis, already laid out to Rolo's management in an atmosphere of mutual collaboration, of a competing offer significantly better than that of Credito Italiano."

The consortium led by Cariplo intends to offer L21,500 a share for 70 per cent of Rolo. That compares with Credit's improved offer of L20,000 for only a 65 per cent holding. If shareholders accept, the Cariplo consortium will have to pay L3,291bn ($2bn) for the stake, 18 per cent more than Credit would have paid. Analysts agreed yesterday that the Cariplo offer would probably put Rolo out of reach of Credit, unless it too teams up with other bidders.

Trading yesterday on the Milan stock exchange also suggested that Cariplo's plans might be enough to win Rolo. The Bologna bank's shares closed nearly 3 per cent higher at L18,884, having risen 3 per cent on Thursday ahead of the announcement.

Cariplo, which is unquoted and owned by a charitable foundation, is likely to have a majority of the consortium. But other banks are set to form a *nocciolo duro*, or hard core, within Rolo's shareholder list if the bid succeeds.

At the moment only IMI, the privatised banking group, and Cassa di Risparmio in Bologna, Rolo's neighbour, have formally put their names to the offer, but Bank Austria, which is controlled by the Vienna city authorities, and Reale Mutua, an Italian insurance company, are said to be discussing joining the bid.

Cariplo and its allies still require the backing of the Bank of Italy, responsible for supervising Italy's fragmented banking sector, and Consob, the stock exchange watchdog. The group has until January to launch the offer formally. Credit's bid opens on Monday, and closes on January 16.

If the Cariplo consortium wins the backing of the Rolo board today, it will represent a victory for a collaborative approach.

The Milan savings bank, Italy's third largest bank, began discussing a deal with Rolo nine months ago.

Analysts believe that Credit, on the other hand, made a number of crucial errors when it first announced plans for a bid at the end of October. Credit's first outline offer – of L19,000 a share – was dismissed as hostile by Rolo, and although its second bid received a warmer welcome two weeks ago, Rolo directors stopped short of giving it full support.

A defeat for Credit would represent a defeat for Mediobanca, the secretive Milan merchant bank which has built up a strong influence over Credit and Banca Commerciale Italiana (BCI), its recently privatised neighbour.

BCI was thwarted in its attempt to gain control of Banco Ambrosiano Veneto, another quoted Italian bank, launched at about the same time Credit made its approach to Rolo.

Before the Cariplo plans were announced, Mr Lucio Rondelli, Credit chairman, criticised the possibility of a deal with Cariplo, because, he said, it would put Rolo – one of Italy's most efficient quoted banks – under the shadow of the public sector.

The Italian Treasury and the Bank of Italy have stressed that public foundations, such as the one that owns Cariplo, should accelerate the process of listing the shares of their banking subsidiaries. Cariplo (short for Cassa di Risparmio delle Provincie Lombarde) planned to float about 20 per cent of its shares on the Milan stock market earlier this year, but abandoned the operation because of adverse market conditions.

Andrew Hill

Inmarsat wins satellite funding

By Alan Cane

Inmarsat, the London-based satellite communications organisation, has promises of more than $1bn from its members to finance a global mobile phone satellite service.

The figure exceeded its expectations, and follows a decision last week by the organisation's ruling assembly to approve the project.

Members from more than 40 countries have agreed to the investment. They include many of the world's leading telecommunications operators. An investors meeting will be held in January to formalise the project.

The system, based on intermediate orbit satellite technology, is expected to cost $2.6bn in total. It will provide a worldwide service for digital telephone, fax data and paging. It is expected to go live in 1999.

Inmarsat pioneered maritime voice and data in the 1980s, but faces competition from a number of other consortia in the provision of the new service. The principal competition seems to be Iridium, led by Motorola of the US, which has also completed its equity funding.

● Brussels yesterday formally approved the creation of a new satellite telecommunications company, arguing it would promote competition in the lucrative market for transatlantic business telecoms services.

International Private Satellite Partners (IPSP) comprises a group of nine companies including Orion Satellite Corporation of the US, Com Dev Satellite Communications of Canada, Kingston Communications International of the UK and Stet of Italy.

IPSP will own and operate two high-power satellites which will be placed in geosynchronous orbit over the Atlantic Ocean. The first was launched last November and is expected to be operational by the end of the year.

The EC said that IPSP would be competition for the strategic alliances being forged between existing carriers – often public telephone operators – and international satellite organisation such as Intelsat.

SCA in SKr1.3bn rationalisation

By Hugh Carnegy in Stockholm

Competition in Europe's disposable nappy market yesterday forced SCA, the big Swedish forestry products group, to announce a SKr1.3bn ($173m) rationalisation programme in the nappy-making operations of its subsidiary Mölnlycke which include the Peaudouce and Libero brand names.

Mölnlycke has been hit by a tough battle for market share in Europe in disposable nappy and female hygiene products since Kimberley Clark, the US group, stepped up its efforts a year ago to build up its position, adding to the competitive pressures imposed by Procter & Gamble.

Prices have fallen by 10 per cent while marketing costs have soared by up to 30 per cent.

The nappy war caused a 19 per cent fall in Mölnlycke's operating profit in the first nine months of this year, in spite of the company's largely successful defence of its leading position in branded nappies in its key markets in the Nordic countries, the Netherlands and France.

It is the biggest producer of own-label nappy products for retailers in Europe.

The cost of the battle has raised a question mark over SCA's readiness to continue to take on the US groups.

BHP rises 30.6% to A$836m

By Nikki Tait in Sydney

Broken Hill Proprietary, the Australian resources group, yesterday announced a 30.6 per cent advance in first-half profits after tax but before abnormals, to A$836m (US$653m).

The figure compared with A$640m in the same six months to end-November in the previous year. Revenues rose 10.4 per cent, to A$9.21bn, and basic earnings per share, excluding abnormals, were 59.9 cents, up from 47.9 cents. The interim dividend is increased 14.3 per cent, to 24 cents a share. BHP took an after-tax abnormal gain of A$234m, for the sale of its remaining stake in Woodside Petroleum. This brought bottom-line profits after tax to A$1.07bn, 67.2 per cent higher than in 1993-94.

Mr John Prescott, managing director, noted the figures had been achieved at a time of quite depressed prices, although he conceded that the copper price, which reached a four-year high during the period, had been an exception. He suggested the annual round of negotiations between Japanese buyers and Australian coal and iron ore suppliers, which is under way in Japan, should bring gains in bulk commodities, and said that higher prices should "impact favourably" towards the end of the current six-month period.

"Firmer world growth should underpin improving prices for some of the company's key products," said BHP, adding that Australia's strong economic growth should lift domestic demand for steel, "although some government initiatives can be expected to manage this growth".

Eramet in share swap for nickel

By Kenneth Gooding, Mining Correspondent

Eramet, the recently-listed French metals group, is swapping a 2.4 per cent stake in its existing capital for Cofremmi, a subsidiary of Bureau de Recherches Géologique et Minières (BRGM) in a deal worth about FFr123m ($22.7m).

The deal gives Eramet 800,000 tonnes of nickel contained in ore reserves in several deposits in New Caledonia that are surrounded by deposits owned by Société Métallurgique Le Nickel (SLN), Eramet's subsidiary. Mr Alain Ray, Eramet's planning director, said the acquisition would permit the economic development of the total area. SLN's reserves previously totalled 2m tonnes of nickel.

Eramet, the world's fourth-largest nickel producer, said it would increase SLN's annual output by 20 per cent from 50,000 tonnes to 60,000 tonnes by 2000. Mr Ray said capacity would start to rise next year to 51,000-52,000 tonnes.

German bank in deal for Polish licence

By Christopher Bobinski in Warsaw

Westdeutsche Landesbank is to take a 24.9 per cent share in a capital issue by the ailing Bank Morski in Szczecin and become the second German bank to obtain an operating licence in Poland.

The German bank, which applied to open a wholly-owned subsidiary in Poland 12 months ago, made the move after the National Bank of Poland (NBP), the central bank, said it would only issue licences to foreign banks if they were willing to help shore up the private sector by buying into troubled banks.

Westdeutsche's partner in the venture is the state-owned Polish Development Bank which is to take 75.1 per cent of the new issue.

Bank Morski has been managed by receivers for a year and NBP has promised to help finance its recovery.

COMPANY NEWS: UK

Kolbenschmidt hits out over T&N stakebuilding

By Kevin Done, Motor Industry Correspondent

Kolbenschmidt, the German automotive components supplier, yesterday attacked the attempted acquisition of a majority stake by T&N, the UK automotive components and engineering group, as "an unfriendly takeover".

Mr Heinrich Binder, chairman of the Kolbenschmidt management board, held talks with the German cartel authorities in Berlin yesterday in an attempt to block the deal. Protest petitions signed by 2,500 workers have been sent to the economics ministers of four German states. Mr Binder said: "We do not need anyone to help us financially. We have achieved the turnround and are back in the black."

T&N announced in September that it would pay up to DM282.6m (£117.7m) to acquire a 52.5 per cent stake in Kolbenschmidt, which designs and manufactures a wide range of engine pistons, bearings and bushes, oil and water pumps and aluminium castings.

The deal would make T&N one of the world's leading producers of engine pistons, vying for the number one position with Mahle of Germany. In bearings it would rival Federal Mogul of the US.

The UK group has secured an option to purchase the majority stake, but the deal is subject to approval by competition authorities in the US, Germany, France and the UK. Mr Binder said he believed that the German cartel office would block the deal.

T&N claimed that it had received "numerous offers of support" from leading German vehicle makers.

It acquired its option on the majority stake as part of the restructuring of Metallgesellschaft, the German metals, mining and engineering group, which sold its 47 per cent holding in Kolbenschmidt to Commerzbank and institutions.

T&N's option expires at the end of March. An initial verdict from the German cartel office is expected in February.

Kolbenschmidt said yesterday it had achieved a pre-tax profit of DM14m in the year to September, against a DM114m loss. Group turnover fell by 21 per cent to DM1.25bn.

Autumn sales lift Courtaulds Textiles

By Tim Burt

Shares in Courtaulds Textiles rose 16p to 435p yesterday after Britain's second largest clothing and fabrics manufacturer defied raw material price increases and unseasonably warm weather by reporting encouraging sales during the crucial autumn season.

The rising share price, however, only partially reversed several months of decline, which worsened in September when the group announced a 26 per cent fall in first half profits following significant losses at its newly-acquired French hosiery businesses.

Nevertheless, the group said a "satisfactory" performance in recent months and minimal restructuring costs would help it meet full year profit targets, estimated at about £47m by analysts.

The group's optimism was due in part to increased orders from Marks and Spencer, its largest customer, according to Ms Julia Blake of BZW. "Demand from M&S has taken off with a vengeance and suppliers across the sector are extremely relieved," she said.

While not downplaying the importance of M&S, Courtaulds Textiles claimed trading had improved following the success of a three-pronged strategy aimed at maintaining margins. Its exposure to raw material price increases has been limited by building up forward stocks; higher prices have been passed on successfully on towels and bedding; and new products have all had increased prices built in.

REPEAT CALL FOR TENDERS
FOR THE PURCHASE OF A GROUP OF ASSETS OF
"METALLURGIKI HALYPS SA", OF ATHENS, GREECE

ETHNIKI Kephalou SA, Administration of Assets and Liabilities, of 1 Skoulenion Str., Athens, Greece, in its capacity as Liquidator of METALLURGIKI HALYPS S.A., a company with its registered office in Athens, Greece, (the Company), presently under special liquidation according to the provisions of article 46a of Law 1892/1990, by virtue of Decision No. 4345/1994 of the Athens Court of Appeal

announces a repeat call for tenders

for the purchase of the assets mentioned below, which are being sold as a single entity.

BRIEF INFORMATION

The Company was established in 1972 and was in operation until 1991, when it was declared bankrupt. Its activities included the production of concrete reinforcing iron in rolls and bars. On 10.8.94, the Company was placed under special liquidation according to the provisions of article 46a Law 1892/1990.

ASSETS OFFERED FOR SALE

a. A storage building of 1500m2 and the 1/2 pro-indiviso of other 2 storage buildings of 1,965 m2 and 1,000 m2, respectively, which are "separate vertical pro-indiviso properties" standing on a plot of land of 7,980 m2 located in the Local Authority of N.Menemeni, Thessaloniki.

b. Agricultural plot of land amounting to 12,875 m2 at Simandra of Local Authorities of N. Moudania, Chalkidiki.

c Agricultural plot of land amounting to 4,312 m2 in the same area as plot (b).

The above assets were mentioned in the publication of the 1st call for tenders under the heading "Other Assets".

OFFERING MEMORANDUM - FURTHER INFORMATION:

Interested parties may obtain the Offering Memorandum upon signing a confidentiality agreement.

TERMS AND CONDITIONS OF THE AUCTIONS

1. The Auction shall take place in accordance with the provisions of article 46a of Law 1892/1990 as supplemented by article 14 of Law 2000/91 and modified later), the terms and conditions set forth herein and the "Terms and Conditions of Sale" contained in the Offering Memorandum. Such provisions and other terms and conditions shall apply irrespectively of whether they are mentioned herein or not. Submission of binding offers shall mean acceptance of such provisions and other terms and conditions.

2. Binding Offers: interested parties are hereby invited to submit binding offers not later than 17th of January 1995, 12.00 hours to the Athens Notary Public Mr Evangelos Dracopoulos, at 19, Voukourestiou Str. 106 71 Athens, tel: +30-1-361.57.32, fax: +30-1-362.11.11.
Offers should expressly state the offered price and the detailed terms of payment (in cash or instalments, mentioning the number of instalments, the dates thereof and the proposed annual interest rate if any). In the event if not specifying a) the way of payment, b) whether the instalments bear interest and c) the interest rate, then it shall be deemed that a) the offered price is payable immediately in cash, b) the instalments shall bear no interest and c) the interest rate, then it shall be the legal rate in force. Binding offers submitted later than the above date shall neither be accepted nor considered. The offers shall be binding until the adjudication. Submission of offers in favour of third parties to be appointed at a later stage shall be accepted under the condition that express mention is made in this respect upon submission and that the offerer shall give a personal guarantee in favour of such third party.

3. Letters of Guarantee: Binding offers must be accompanied by a Letter of Guarantee, issued in accordance with the draft Letter of Guarantee contained in the Offering Memorandum, by a bank legally operating in Greece, to remain valid until the adjudication. The amount of the Letter of Guarantee must be for the amount of Drs. THIRTY MILLION (30.000.000.-). The Letters of Guarantee shall be returned after the adjudication. In the event of non- compliance with the provisions and other terms and conditions referred to in paragraph 1 hereof, the Letter of Guarantee shall be forfeited as a penalty.

4. Submissions: Binding offers together with the Letter of Guarantee shall be submitted in sealed envelopes. Submissions shall be made in person or through a duly authorised agent.

5. Envelopes containing the binding offers shall be unsealed by the above mentioned Notary Public in his office, on the 17th January 1995 at 14.00 hours. Any party having duly submitted a binding offer shall be entitled to attend and sign the deed attesting the unsealing of the binding offers.

6 As highest bidder shall be considered the participant, whose offer will be judged by creditors representing over 51% of the claims against the Company (the "Creditors"), upon suggestion of the Liquidator, to be in the best interests of all the Creditors of the Company. It is noted that for the purposes of evaluating an offer proposed to be paid by instalments, the present value thereof shall be taken into account, which shall be calculated on the basis of an annual discount interest rate of 22%, compounded yearly.

7. The Liquidator shall give written notice to the highest bidder to appear on the date and place mentioned therein and execute the contract of sale in accordance with the terms contained in his binding offer and/or any other improved terms, which may be suggested by the Creditors and agreed upon. Adjudication shall be deemed to take effect upon execution of the contract of sale.

8. All costs and expenses of any nature in respect of the participation and the transfer of assets offered hereby for sale shall be exclusively borne by the participants and the purchaser respectively.

9. The liquidator and the Creditors shall have no liability nor obligation whatsoever towards the participants in relation to the evaluation of the offers or the appointment of the highest bidder or any decision to repeat or cancel the Auction or any decision whatsoever in connection with the proceedings of the Auction. The Liquidator and the notary shall have no liability for any legal or actual defects of the assets. Submission of binding offers shall not create any right for the adjudication nor the participants shall acquire any right, power or claim from this invitation and/or their participation in the Auction against the Liquidator and/or the Creditors for any reason whatsoever.

10. This invitation has been drafted in Greek and translated into English. In any event the Greek version shall prevail.

In order to obtain the Offering Memorandum and any further information please apply to the *Liquidator* "Ethniki Kephaleou SA, Administration of Assets and Liabilities", 1, Skoulenion Str. Athens 10561, Greece, Tel: +30-1-323.14.84-87, fax.: +30-1-321.97.05 (attention Mrs. Marika Frangakis).-

NEWS DIGEST

Chiltern consolidates recovery

Following a modest return to the black at the interim stage, Chiltern Radio yesterday announced a resumption of dividends as it consolidated the recovery over the full year to September 30.

On turnover ahead 8 per cent to £6.21m, the pre-tax line showed a turnround of £760,000 to profits of £514,000. The outcome took in net costs of £53,000 related to the unsuccessful bid from CLT, the Luxembourg-based multimedia group, which was more than offset by a gain of £72,000 from the disposal of its stakes in Independent Radio News and Gloucester Broadcasting.

The group now operates 11 radio stations, all but one having the full 8-year licence period outstanding. Mr Peter Burton, chairman, said that national advertising revenue was up 20 per cent year-on-year but local revenue sources remained relatively flat.

Earnings were 5.4p against losses of 3.4p; dividends are restored at 1p.

Intercare down 46%

Despite turnover 13 per cent ahead, full-year pre-tax profits at Intercare Group, the healthcare product supplier, fell 46 per cent from £4.31m to £2.33m.

The £43.4m sales figure for the year to October 31 was up from £39m last time and included £976,000 from acquisitions. The group attributed the disappointing outcome to a "significant contraction" in the Dutch scooter market and poor performance by new ventures in the medical products business. Recovery was expected in both areas.

Earnings per share emerged at 5.5p (10.5p). The recommended final dividend is unchanged at 2.8p, maintaining the total for the year at 3.5p.

Albion falls

Annual profits at Albion, the Belfast-based men's wear company, fell from £1.09m to £620,420 pre-tax.

The company blamed tighter margins and exceptional costs of £273,970 to cover closures and the write-down of its Hungarian investment.

Turnover for the year to September 30 rose to £25.6m (£21.6m). Earnings were 13.6p (20.2p) and a reduced final dividend of 1.6p is proposed for a total of 3.2p (4p).

Charles Sidney talks

Charles Sidney, the Mercedes-Benz truck and car dealer, and Bletchley Motor Group are in talks over a possible merger.

It is though likely that terms would comprise a share offer by Charles Sidney for Bletchley at Wednesday's market price of 261p, giving a market capitalisation of £16m.

Watson & Philip

Watson & Philip is expanding Alldays Stores, its convenience store subsidiary, with the purchase of 12 specialist convenience stores from Circle C Holdings.

In addition, the Circle C franchise network comprising 34 outlets will be acquired and merged with the Alldays franchise network.

Consideration is £3.5m cash, plus stock in trade, which will also be payable in cash when the valuation is agreed.

SEC listing

Securitised Endowment Contracts, the marketmaker in traded with-profits endowment policies, has obtained a full listing and changed its name to SEC Group.

Dealings will begin on December 22.

Toad £3m placing

Toad Innovations, the car security company, has raised £3m following a private placing of 3.55m shares that will be traded under the Stock Exchange's Rule 4.2 facility.

The issue, which closed on December 12, significantly exceeded expectations.

The issue is sponsored by Henry Cooke, an active promoter of issues under Rule 4.2, formerly known as Rule 535.2. Dealings are expected to begin on December 22.

Moorgate assets dip

Moorgate Investment Trust saw undiluted net asset value per share dip by 5.3 per cent, from 162.1p to 153.5p, during the half year to November 30 – a modest outperformance against its benchmark, the Hoare Govett Smaller Companies Index, which fell 6.2 per cent over the same period.

Net revenue declined to £712,000 (£828,000), reflecting the managers' decision to invest in lower-yielding shares "with superior earnings and dividend growth prospects", according to Sir Mark Thomson, chairman.

Earnings per share consequently emerged at 2.52p, against 2.93p, but the interim dividend is maintained at 1.7p and a modest increase in the final (2.55p) is anticipated.

Copymore in talks

Copymore, the USM-quoted office equipment supplier said that it had been in preliminary negotiations with a number of potential buyers of the company. However, Mr Jeff Godbold, joint chairman, said that no official offers had been received.

Shares in Copymore have risen strongly throughout this week. They closed yesterday at 180p, up 10p on the day.

Man plans appeal

ED&F Man is to appeal against a decision by the FT-SE Actuaries Industry Classification Committee to reclassify the agricultural and financial services group from the Food Manufacturing to the Other Financials sector.

Mr Harvey McGrath, managing director, said that over two thirds of Man's profits come from the food business. However, the committee said a review of Man's operations over the past five years showed that most of the group's revenue was earned from financial services. The current year's revenues were unusual in that the group's fund management business had underperformed.

Correction

ERF

The stake held by ERF Holdings, the UK truck maker, in ERF South Africa is 56.1 per cent and not 43.9 per cent as incorrectly stated yesterday. Production is currently running at 15 to 16 trucks a day and not a week as stated in the world commercial vehicles survey.

Asda's chief executive, Archie Norman, made a bleak forecast for the supermarket sector

London

Take-over fever proves catching

But retailers strike a sour note, reports **Jane Fuller**

One of the few remaining hopes for a bit of stock market fizz before the end of the year has been bid speculation, and this week has provided some entertaining tests of whether words might actually turn into action.

They failed spectacularly to do so in the case of S.G. Warburg, the UK investment bank with global ambitions, and Morgan Stanley, of the US. Merger talks were called off on Thursday, a week after they became public.

Postmortem reports revealed that the sticking point was Mercury Asset Management, Warburg's 75 per cent-owned fund management arm which contributed nearly all the group's first-half profits.

The board of MAM wanted a premium offer for the minority shareholders, along with guarantees about independence. The US firm would have contemplated the former, up to a point, but jibbed at the latter.

The merger collapse left Warburg with difficult questions to answer about its vaulting ambition to become a global investment bank. Its share price fell 99p to 678p on the day.

The other big bid prospect of the week remains firmly on the cards, however. Interest in Trafalgar House's putative offer for the Newcastle-based Northern Electric is intense, especially as it would be the first hostile bid for a privatised UK utility.

The engineering and property conglomerate is controlled effectively by Hongkong Land – a subsidiary of Jardine Matheson, which is trying to reduce its dependence on Hong Kong ahead of the 1997 handover to China.

Money from the colony, plus the target's own strong balance sheet and cash-generative powers, would finance such a deal rather than Trafalgar's other shareholders, whose goodwill has been strained by asset write-downs and two rights issues since 1992.

At least Trafalgar House has returned to profit after three years of losses, and gearing at the September 30 year-end had been cut to just 3 per cent on shareholders' funds of £708.6m.

With the government saying it would retain its "golden" shares in the regional electricity companies until March 31, Northern's share price ended the week at 985p (valuing the group at £1.22bn) after rising to 1010p on Wednesday, the day Trafalgar said it was considering a bid.

Northern started the week at 881p – already nearly 300p above this year's low. Then, a rising clamour about bids in the sector kept mentioning it as a prime target. It is one of the smaller of the 12 recs, with a reputation for lacklustre management – although some analysts have begun to revise that view.

Takeover fever has added a few extra volts to a highly charged sector. The recs' results season, which culminates on Monday with East Midlands, has thrown up dividend rises of between 15 per cent and 47 per cent – politically unpopular dimensions. Underlying earnings have risen strongly, even if re-organisation charges – including hundreds of job losses – have dented headline figures.

What a contrast with the retail sector, which ought to be enjoying its jolliest time of the year. The latest CBI survey, showing stagnant sales in November and October, confirmed that the "feel-bad" factor was continuing to affect consumers.

Ample evidence of high street gloom was provided by this week's set of company announcements, most graphically in the profits warning from Hornby, maker of the racing car game Scalextric. Its shares fell 50p to 127p on Wednesday as one source was quoted as saying: "It is going to be a poor Christmas."

On Thursday, Asda's chief executive, Archie Norman, came out with a typically bleak forecast for the supermarket sector: the era of intense competition and falling margins was likely to continue for another two years. In spite of this, the group has continued its recovery, beating market expectations with half-year pre-tax profits of £108.7m.

A ray of hope for the future was offered by one small multimedia company. VideoLogic has signed what could prove to be a lucrative deal with NEC, of Japan, to develop computer games with much more realistic 3D images. Never mind the Scalextric: games now available only in arcades are set to enter the home.

Rather quaintly, VideoLogic explained away its £3.7m interim losses by saying that the business remained "in development mode". It had eschewed short-term profits deliberately to keep up investment in research into the multimedia breakthrough. And, believe it or not, the market's reaction was anything but cynical: the shares rose 11½p to 51p on the day.

As the company results season starts to wind down, the discomfiture of some high profile individuals has this week vied with the takeover excitement for the front pages.

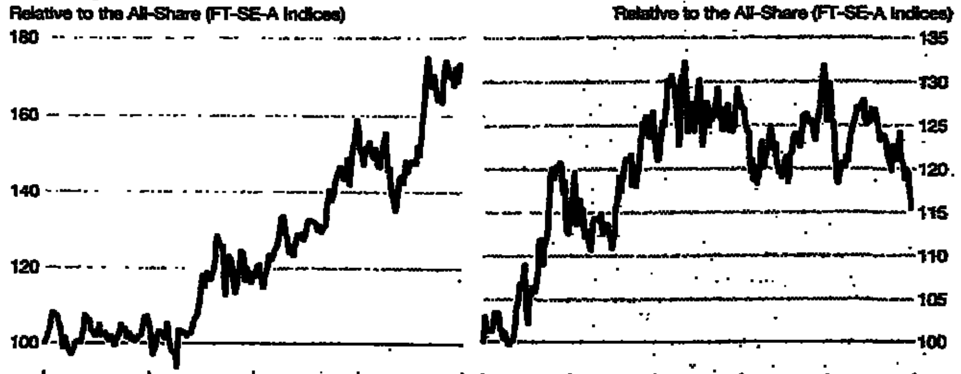
Maurice Saatchi, chairman and founder of the Saatchi & Saatchi advertising group, has been assailed by some big shareholders. They were incensed by a proposal that he should receive a £5m option package – based on his old salary of £625,000 instead of his new one of £200,000.

Yet, even £5m pales into insignificance beside the estimated £40m of personal debts owed by Robert Montague, chief executive of container rental group Tiphook. Barclays Bank has joined Royal Bank of Scotland in serving petitions for bankruptcy on him. The latter's action is due to be heard on Thursday.

Of the money owed to Royal Bank, some £8m is secured on Montague's 1,300-acre estate at Pusey, Oxfordshire. Another of the big lenders involved is Commerzbank, of Germany, which has about £7m secured on his yacht.

If Montague is made bankrupt, he will no longer be able to sit on Tiphook's board.

You win some, you lose some



Source: Datastream

Highlights of the week

	Price y'day	Change on week	1994 High	1994 Low	
FT-SE 100 Index	3013.6	+36.3	3520.3	2876.6	Corporate activity expected
FT-SE Mid 250 Index	3437.1	+41.3	4152.8	3363.4	Hopes for Christmas rally
British Petroleum	421½	+19	437½	340	Well received conference
Cadbury-Schweppes	400	-18	545	392	Broker's downgradings
Caradon	254	+10½	455	224	Broker "buy" note
Euro Disney	114	+7	213	78	Improved attendance figures
Hornby	135	-42	216	125	Profits warning
Marks & Spencer	380½	+11½	460½	368½	Brighter prospects for sector
NFC Var Vtg	162	+16	291	145	Chairman elect buys shares
Northern Elec	985	+104	1049	589	Trafalgar House considering bid
Scotia Hldgs	274	+20	295	242	Positive clinical trial data
SmithKline Beecham A	454	+27	465½	357½	Positive analysts meeting
South Western Elec	855	+90	883	551	Bid speculation in electricity sector
VideoLogic	63	+23½	64	18½	Venture with NEC of Japan
Warburg (SG)	713	-70	1012	569	Morgan Stanley talks collapse

Wall Street

Witches lurk behind the Christmas tree

As the Dow bubbles unexpectedly, **Patrick Harverson** predicts trouble ahead

The only predictable feature of the stock market this year has been its unpredictability. A little more than a week ago, Wall Street was reeling from a 50-point loss on the Dow Jones Industrial Average. It was the latest in a string of big sell-offs which had dragged blue-chip stocks close to their lows of the year and sucked much of the confidence out of the market.

At the time, investors – already bruised by rising interest rates and fears of a darkening economic outlook – were also being battered by the biggest municipal bankruptcy in US history and the mysterious cancellation of a $2bn cash distribution by the nation's biggest mutual fund. The climate on Wall Street was so chilly that most pundits predicted that the market would miss its traditional year-end rise in share prices – the so-called "December rally".

This week, however, the mood abruptly changed, and like many of the market's moves this year, initially no one was quite sure what was behind the shift. Since its big decline on December 8, the Dow has rebounded more than 90 points, or 2.5 per cent. Now, talk of a December rally is being revived, and investors are realising that there may be something under the Christmas tree for them, after all.

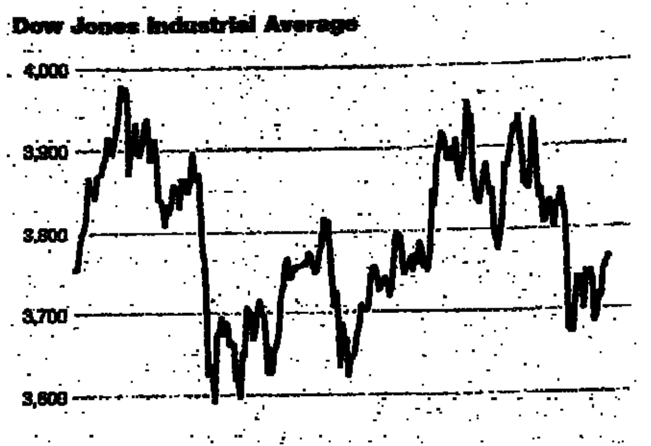
The market's turnaround can be traced to the easing of fears that the Federal Reserve would raise interest rates once more before the year ended. The selling of shares in early December followed a strong November employment report which led some analysts to predict that the Fed would tighten monetary policy for the seventh, and final, time this year after the December 20 meeting of its open market committee.

To this grim prospect of yet another rate increase was added the bankruptcy of Orange County, California, and the cancelled payout at the Fidelity Group's Magellan Fund. Although neither story had direct implications for share prices (the Orange county debacle only briefly roiled the bond market after it sparked a fire sale of billions of dollars in government agency securities, and the Magellan mix-up subsequently proved to be the product of a mathematical mistake), they clearly undercut sentiment.

In the past week, however, a string of economic data has forced analysts to reconsider their predictions of a December 20 interest rate increase. The most important statistics concerned inflation. On Tuesday and Wednesday the government reported that producer prices rose by 0.5 per cent and consumer prices rose by 0.3 per cent in November. Neither figure was encouraging, but in both cases the closely-watched "core" measure of price inflation (which excludes volatile components which distort the indices) rose at a slower rate than expected. The market was also encouraged by a report from the Philadelphia Fed which showed signs of moderate growth in business activity and only mild inflationary pressures in the region.

Taken together, the data comforted investors who had been worried about another tightening of monetary policy. Ironically, the Orange County bankruptcy may also have contributed to the easing of investors' fears, because another rise in interest rates would have further undermined the value of Orange County's troubled bond and derivatives portfolio.

Dow Jones Industrial Average



Source: FT Graphite

Stocks were also aided this week by fresh declines in bond yields. In the past eight days the yield on the 30-year bond has dropped from 8 per cent to 7.85 per cent. This has helped allay concerns that rising bond yields would lure cash out of stocks into the Treasury market. The favourable move in bonds, however, has been offset by a sharp rise in yields on shorter-term government securities, such as two-year notes. This divergence has led to a further flattening in the yield curve – the graph of yields on securities with differing maturities – and, as bond market analysts never tire of pointing out, a rapid flattening of the yield curve typically precedes a sharp slowdown in economic growth.

To most equity investors, however, the flattening yield curve is a technical phenomenon of little interest, and this weekend they are likely to be basking in the warm glow of the Dow's best weekly showing since early October.

Yet, they should be warned against making too much of the gains of the past five days because for most of the week trading was greatly influenced by the manoeuvrings of institutions ahead of Friday afternoon's "triple-witching hour". Triple-witching is the name given to the simultaneous expiration of stock *options* and futures, which happens four times a year and often produces exceptional short-term movements in share prices.

This week, these movements were mostly upwards, which made for some handsome gains in the Dow. Yet, they were gains which only cloaked the market's underlying weaknesses – without them, the Dow's advance would have been modest. Come Monday, share prices are likely to drop initially, and the market will almost certainly be sporting a triple-witching-sized hangover.

Dow Jones Ind Average

Monday	3718.37	+27.36
Tuesday	3715.34	-3.03
Wednesday	3748.29	+32.95
Thursday	3765.47	+19.18
Friday		

Hong Kong

Dog days in a year that matched its name

Bearish sentiment has plagued stock prices. Will 1995 be any better? asks **Louise Lucas**

The Hang Seng index, Hong Kong's stock market barometer, improved nearly 5 per cent this week. But this technical rebound, achieved on the back of thin turnover, has done little to detract from the bearish sentiment that has plagued stock prices since the beginning of the year.

This sentiment has ensured that, in the Year of the Dog, the Hong Kong market has proved to be just that for investors.

After a promising start, which saw the index peak at over 12,000 just four days into the new year, Hong Kong stock prices have succumbed to rising interest rates, falling property prices, and fears over the Chinese economy's ability to engineer a soft landing. The index is now 33 per cent off the January 4 peak.

In recent weeks, fund managers have been selling down the market in a bid to raise cash to meet redemptions – a reversal of the institutional activity this time last year when foreign funds were reputed to be buying anything with China, or even Asia, in its name.

The prospects for the traditional lunar new year rally (the new year falls at the end of January) look increasingly dim, although many brokerage houses are predicting a turnaround in 1995.

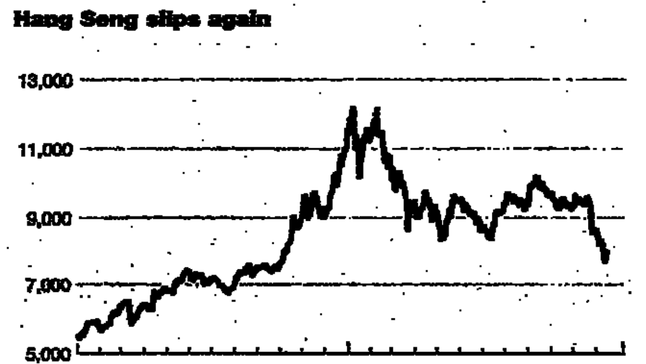
Stuart Cook, chief executive of Morgan Grenfell Asia Securities, says a mix of attractive valuations and flattening yield curves should turn the tide for equity performances, especially in the second half of next year. The Hong Kong market is now trading on a price/earnings multiple of around 10 times 1995 earnings.

He says: "In the first half of 1995, we will see more pain coming through on the interest rate front, with short-term rates continuing to rise fairly swiftly but the long end has now stabilised.

"By the second half of 1995, [US] Fed rates will be more or less up to where they are going, so a lot of the pain will be finished – which ought to be good news (for equities)."

Corporate earnings across the board are expected to grow at only 17 per cent in 1995, compared with 19 per cent this year. One reason for this drop is the expected inability of developers to to maintain earnings momentum.

Hang Seng slips again



Source: Datastream

The US-led interest rate rises, fed through to Hong Kong via the dollar/Hong Kong dollar currency peg, also have taken their toll on the property market. Around 40 per cent of the Hang Seng is exposed to the property market.

But the sector has chalked up some of the year's biggest losses as the cost of servicing mortgages has risen and developers have been forced to trim the cost of new projects.

The sector first fell out of favour in March when Chris Patten, the colony's governor, announced his intention to set up a task force to look into the over-heating property market. This bid to temper prices came after a 200 per cent increase over three years in the cost of homes.

The task force's recommendations, aimed largely at speculators, were implemented in June and these, together with rises in interest rates, have sliced around 15 to 20 per cent off home prices this year. Standard Chartered bank is looking for a further fall of 10 to 15 per cent next year; others expect to see still bigger drops.

Political events have played little part on the sentiment-driven Hong Kong market this year, just as last year's Sino-British wrangling failed to avert the index from soaring ever higher on a flood of liquidity .

But the decision by the Jardine camp to de-list from Hong Kong, allied to further attacks from China – which claimed the company had been awarded a container terminal contract unfairly in return for political favours – sent its shares tumbling.

In China, premature but frequent reports of the death of paramount leader Deng Xiaoping drove the index lower, as did fears over out-of-control inflation and bad debts. The debts issue hit the headlines when Lehman Brothers said it would sue three of China's biggest trading companies for failing to pay $100m alleged to be owing from foreign exchange trading.

Hong Kong's fortunes are linked closely with those of the Republic although, so far, investment in domestic China has been modest. Instead, companies are focused on export-oriented industries in southern China which, says Cook, will benefit only as Europe and Japan, moving out of recession, increase spending.

Barry Riley

Let's drink to '94 – in castor oil

It was a disappointing year overall, but at least it was healthy

It was a hell of a first half, but the rest of the year has left us disappointed rather than devastated. Despite a couple of half-point rises in short-term interest rates, the FT-SE 100 index stands slightly above its end-June level of 2,919 and the long-dated gilt-edged yield has held at 8.6 per cent (although only after hitting an intermediate high point of 9 per cent late in September).

Going back a year, however, the bull market enthusiasm was all-pervading. The only way for the stock market was up, most analysts said. Some talked about 4,000 on the Footsie, hardly any about 3,000.

My own opinion of the FT-SE 100 index at 3,400 was cynical. We were in the late, panic-buying stage of the bull market, I said. Prices might temporarily move higher, but equities were only for the brave and the nimble. There was a chance that the dividend yield on the market as a whole would be pushed down to 3 per cent – but, by then, all the warning lights would be flashing red. In the event, it dipped no further than 3.2 per cent at the market's peak on February 2.

Events unfolded a little more quickly than I had envisaged. January indeed saw a dash from cash, as small investors piled into the two European privatisation investment trusts which were launched opportunistically by Mercury and Kleinwort Benson: they raised £1,075m between them, on which original subscribers are showing an average loss of 17½ per cent now.

There was a smell of the notorious Royal Event: an over-hyped, sucker-gathering, unit trust launch in September 1987. But it turned out to be not quite so bad: instead of collapsing by 25 per cent in a few days, the London stock market took nearly five months to fall by 18 per cent.

In fact, though, the equity shake-out was a bit of a sideshow. The real story of 1994 has been one of a global bond market crash. Fixed-interest securities finally shook off their boring image and staged a tumble as they reversed the bull market of 1993 on a rather swifter timetable.

In 1993, long-dated gilt yields had fallen from 9 per cent late in January to 6.5 per cent at the year-end, generating a total investment return for 1993 of 34 per cent – which was more than on equities. That movement had been reversed entirely by September this year and, although there has been some recovery since, the negative return on long gilts has been about 12 per cent – a little worse than on equities. So much for the traditional idea that bonds are less risky than shares.

The reason is partly that huge government deficits around the world have collided with a vigorous economic recovery, pushing up bond yields. But the *scale* of the boom and bust in global bonds has reflected the huge growth in speculation by, among others, hedge funds and the so-called proprietary trading teams of banks and securities houses.

> The shake-out in equities was a sideshow. The real story was a global bond market crash

Plenty about 1994 has been positive, however. Economic growth has soared above expectations whereas inflation has under-shot. British companies as a whole have become very prosperous, recording a record financial surplus in the first half-year.

Yet, the stock market can seem perverse. Last year, I remarked that the All-Share index had risen by 64 per cent in three years while dividends had increased not at all. In 1994, dividends have bounded up by an unexpectedly healthy 8 per cent but the All-Share has tumbled by 12 per cent.

Such share price behaviour might seem disappointing and puzzling to many investors, but it is predictable. Remember that, in buoyant economic conditions, it is not share prices that go up but *expected rates of return*. Share prices fall so that equities can compete, in terms of future potential, against price-insensitive competition – such as bonds issued by free-spending governments. In a growing economy, capital is in greater demand.

Fortunately, the British government – more nimbly than many others – is reducing its borrowing requirement rapidly. But the influx of speculative foreign money which flooded in during 1993 (when overseas buyers bought £16.6bn of gilts) has halted, and been reversed slightly, in recent months.

Essentially, the sharp rise in bond yields between February and June reflected the necessary adjustment before domestic buyers would absorb all that the Bank of England had to sell. Equities had to move roughly in line, because a ratio between gilt-edged and equity yields of much more than 2 is unsustainable. So, the yield on the All-Share has moved up to 4.1 per cent now.

Not only securities have had a disappointing year in the UK. The feel-bad factor has extended to housing, which has flattened out after a reasonably promising spring-time rally. I was right to say in January that it was a good moment to switch from the stock market into houses; but my forecast late in 1993 that house prices would rise by up to 5 per cent over the next year (which seemed cautious at the time) has been undermined by recent setbacks. By November, house prices nationally were fractionally lower, year-on-year.

Such house price weakness reflects the peculiar nature of the 1994 economic recovery: a strong corporate sector has been driven by exports and healthy flows through the capital markets, but consumers are restrained by job insecurity, weak post-tax income growth, and a reluctance to increase their debts.

Where, indeed, are the borrowers?

The banks and building societies have been confronted with major structural challenges in 1994 – symptomised by the past year's mere 4 per cent growth in broad money. This was the recovery that passed by the banks and house prices, which depend traditionally for their strength upon voluminous injections of mortgage finance, have languished.

This has been growth without a consumer spending spree and without a borrowing binge. It is, of course, all thoroughly healthy. But so, they say, is castor oil.

هكذا من الاصل

صبكنا من الاجل

WORLD STOCK MARKETS

AMERICA

US stocks up ahead of triple witching

Wall Street

US shares rose yesterday morning amid record volume as traders prepared for the afternoon's "triple-witching hour" when stock indices on options and futures expire in the last 60 minutes of trading, *writes Lisa Bransten in New York*.

By 1pm, the Dow Jones Industrial Average was up 11.43 at 3,776.90. The more broadly based Standard & Poor's 500 gained 1.67 at 457.02, the American Stock Exchange composite rose 1.11 to 427.13 and the Nasdaq composite slipped 0.41 to 780.27. Trading volume on the NYSE came to 319m shares.

Volume in the first half-hour of trading hit 183m shares, breaking a record set in March.

Neither the stock nor the bond markets reacted sharply to data showing an unexpectedly large increase in housing starts for November. Construction of private housing grew by 6.9 per cent last month versus economists' forecasts closer to 2.0 per cent.

The bond market was mixed in quiet trading with the long bond outperforming the two-year note causing further steepening of the yield curve. The curve had flattened since mid-November, reflecting investor sentiment that the economy would slow.

Analysts had attributed recent flattening to the prospect that the Federal Reserve would raise interest rates again at the December 20 meeting of its open market committee.

The release of relatively mild economic news earlier this week, however, led investors to believe that another tightening was unlikely, causing a steepening of the yield curve and a rally in the stock market.

Since the beginning of the week the Dow has recovered more than 2.4 per cent of its value.

Shares in US airlines were mostly down after a spate of separate incidents raised safety questions.

Fears were already high in the wake of two recent crashes of American Eagle planes.

Late on Wednesday the commuter airline cancelled all flights out of Chicago after pilots claimed that they were not adequately trained to fly in cold weather. Meanwhile, Tower Air acknowledged that several of its aircraft had been sabotaged, and the privately held Kiwi Airlines was grounded after it was unable to provide regulators with documentation that its pilots had received sufficient training.

AMR, the parent of American Airlines, was down $¾ at $50¼, Tower Air fell $¼ at $8¼, UAL, parent of United Airlines, dropped $¾ at $87¼, Southwest Airlines shed $⅝ at $16¼, and Continental Airlines declined $¼ to $7⅝.

USAir Group, which has lost about 65 per cent of its value since the start of the year, was up $¼ at $4⅝.

Canada

Toronto stocks were narrowly mixed at midday as the market searched for direction, hampered by triple-witching in the US.

The TSE 300 composite index edged up 2.73 to 4,114.46 at noon. Volume came to 34.4m shares worth C$396.93m.

Falling precious metals offset a rise in the conglomerates group. The gold and silver sector lost 105.96, or 1.17 per cent, to 8,987.98 in spite of slightly higher gold futures.

The conglomerates sector moved forward 49.07, or 1.05 per cent, to 4739.53.

Bramalea topped the actives list, up C$0.07 at C$1.35 with 2.27m shares traded.

Brazil

Shares in São Paulo were up 0.2 per cent in volatile midday trade ahead of Monday's options market settlement.

The Bovespa index rose 86 to 48,513 by 1pm in turnover of R$242.1m ($285.5m).

Analysts said that the market's medium and long-term scenario remained positive and did not discount the possibility of a bullish trend after Monday's settlement.

Lower nominal domestic interest rates, following falling inflation forecasts, were also expected to continue bolstering prices.

Vale do Rio Doce, the mining group, announced that it was planning to launch a level-two ADR in mid-1995 but the stock was unchanged at R$156.

EUROPE

Milan rises in calm before expected storm

Italy had its own agenda yesterday. But where equity markets were strong, as in New York, London, and Frankfurt, they were accompanied mostly by the expiry of futures and options contracts, *writes Our Markets Staff.*

MILAN took advantage of the relative political calm to move higher again, ahead of next week's expected storm when Mr Silvio Berlusconi, the prime minister, faces a confidence vote that could topple him from power.

The Comit index rose 13.94 or 2.4 per cent to 605.77, up 0.7 per cent on the week, dealers reporting a further awakening of foreign demand.

The banks remained in focus. Credito Romagnolo was L537 higher at L18,884 in response to the Cariplo's counter-bid. Credito Italiano rose L24 to L1,645 and BCI was L50 up at L3,331 amid speculation that the two might launch a joint offer for Rolo.

Banca Nazionale dell'Agricoltura rose L265 or 10 per cent to L2,909 on renewed speculation about a shake-up in its shareholder structure.

Telecoms were supported by ministerial approval of some concessions on tariffs and fees charged by the state for its lines. Telecom Italia moved ahead L121 to L3,883 and Stet L61 to L4,385.

Fiat rose L209 or 3.8 per cent to L5,707 after the company said that its results to October 31 and forecasts for the full year were continuing to show signs of improvement.

James Capel, which upgraded the stock to a buy this week, commented that since July there had been a marked improvement in both the Italian car market and Fiat's position within it. The company was also making progress in other major European markets and was performing exceptionally well in Latin America.

PARIS failed to build on early gains as the little momentum that was evident during the morning petered out after lunch. The CAC-40 index slipped 6.94 to 1,924.16, a fall of 0.6 per cent on the week.

Peugeot, down FFr22 or 3 per cent at FFr725, but off a session's low of FFr720, was hit by a big sell order in reaction to comments from the company on Thursday that seemed to suggest that second-half results would show only a small improvement over the first six months.

But, said Mr Christopher Will of Lehman Brothers, the picture could be quite different; he said the group's sales have been holding up extremely well during December, after a strong performance in November, and he believed his full-year earnings target of FFr2.5bn, following a first-half FFr688m, was on line.

Hoare Govett downgraded Moulinex, off 3 per cent at FFr101.30, from buy to sell on the expectation that its earnings recovery will take longer than expected. The electrical appliance manufacturer reported a higher half-year loss on Thursday.

AMSTERDAM's derivatives expiry passed quietly and the AEX index rose 0.69 to 408.38, up 0.5 per cent on the week.

KPN added Fl 1.10 at Fl 57.80, bringing its gain on the week to 6.25 per cent following the announcement that Unisource, in which the Dutch telecoms group has a stake, is to link up with AT&T, of the US.

ZURICH saw further demand for blue chips which took the SMI index 6.7 higher to 2,604.7, for a 1.1 per cent rise on the week. The financial sector remained focused on CS Holding and Swiss Re after Thursday's announcement of an alliance to develop financial derivatives on reinsurance. CS Holding rose SFr17 to SFr546, with some investors said to be switching out of Swiss Re into the bank. Swiss Re gave up much of Thursday's advance, easing SFr7 to SFr787.

Cyclicals remained volatile, with BBC declining SFr5 to SFr1,096, while Sulzer lost SFr10 to SFr866. Fischer recovered after Thursday's fall with a rise of SFr30 to SFr1,530.

Landis & Gyr, still supported by Wednesday's better than expected full-year results, put on SFr9 at SFr804.

BRUSSELS saw the Bel-20 index rise 10.61 to 1,394.44, a fraction higher on the week, as dealers took positions at the start of the two-week trading account. Cockerill added BFr5 at BFr205 ahead of its Bel-20 debut on Monday, and business in Union Minière was lifted by block trades as the shares rose BFr50 to BFr2,510.

COPENHAGEN fell, the KFX index losing 1.17 to 91.54. Sophus Berendsen, the holding company which owns Rentokil, of the UK, dropped DKr22 or 4.5 per cent to DKr470 after Thursday's revelation that divestment losses in 1994, at DKr158m, would be some DKr60m higher than expected after the sale of a US engineering unit.

Written and edited by William Cochrane, John Pitt and Michael Morgan

FT-SE Actuaries Share Indices

Dec 16 — THE EUROPEAN SERIES

Hourly changes	Open	10.30	11.00	12.00	13.00	14.00	15.00	Close
FT-SE Eurotrack 100	1328.65	1328.64	1329.42	1330.18	1329.71	1328.69	1330.23	1329.65
FT-SE Eurotrack 200	1370.94	1371.77	1376.53	1378.58	1378.00	1378.26	1379.13	1378.77

	Dec 15	Dec 14	Dec 13	Dec 12	Dec 9
FT-SE Eurotrack 100	1326.74	1318.82	1309.30	1309.12	1321.58
FT-SE Eurotrack 200	1372.89	1365.54	1356.88	1355.35	1367.17

Base 1000 (26/10/90); High/day: 100 - 1330.77; 200 - 1379.98 Low/day: 100 - 1328.10 200 - 1370.94 † Partial

Financials lead decline in German share prices

But there are recovery hopes, writes **Andrew Fisher**

The German stock market has moved sideways and back this year, but analysts have hopes for 1995 as the economy continues to recover – supported by exports rather than consumer spending – and interest rates stabilise on bond markets.

The biggest market losers of 1994 have been bank and insurance stocks. This is where the sharp rise in bond yields has hit hardest, as shown by the latest set of fairly dismal results from the big banks. The investment portfolios of insurance companies will also show the effects of securities write-downs necessitated by weaker bond prices.

Of the top five stocks in the Dax index of 30 leading shares, two are from the banking and insurance sector. The biggest component in the index, Allianz – Europe's largest insurance concern – accounts for about 11 per cent of the Dax capitalisation.

Many investors buy Allianz as a proxy for the German market, since nearly 70 per cent of its total investment portfolio of more than DM200bn is invested in German companies; it owns sizeable minority stakes in companies such as BASF, Dresdner Bank and Veba. But investors in German insurance stocks have not had the brightest of years. According to Commerzbank, the sector at mid-week was down by nearly 20 per cent this year. Allianz's shares had fallen by 18 per cent to around DM2,420.

The banks had not fared much better, with an overall fall of around 16 per cent. The big three Frankfurt-based banks – Deutsche Bank, Dresdner Bank and Commerzbank – have just reported falls of between 15 per cent and 27 per cent in their 10-month operating profits. Deutsche and Dresdner are also in the Dax top 10.

Showing the smallest declines, in a stock market year which Commerzbank described as disappointing, were chemicals, engineering, steel and energy shares. These have clearly benefited from the economy's faster than expected recovery. The worst performer was the department store sector, which is hardly surprising since German 1994 retail sales are likely to be down for the first time since records began in 1965.

Nor is 1995, a year of renewed income tax surcharges to help pay for reunification, expected to bring much improvement on the consumer side. One foreign bank which holds a different view, however, is Société Générale. "We think that household consumption is likely to bring some good news in the second half of this year," says the French bank in its latest strategy report.

In support of its case it cites the upturn in the consumer confidence index produced by the Munich-based Ifo economic research institute. The bank recommends Kaufhof as its preferred department store stock in continental Europe, although other analysts have downgraded their earnings estimates for the company in view of the sluggish retail scene.

For the German market overall, Société Générale is not too optimistic. It has increased the market's weighting in its international portfolio strategy to neutral from underweight. On the positive side, it points out the virtues of political stability after October's narrow general election victory of Chancellor Helmut Kohl and of economic recovery. On the minus side, it still regards the German market as expensive in spite of its decline this year, and as relatively over-exposed to the risk of a US downturn late in 1995.

Commerzbank takes a more positive line. Its analysts expect the Dax to move up to around 2,400 – a rise of at least 15 per cent over the current level – on the back of further improvements in corporate earnings and more stable bond markets. This year to date it has shed nearly 9 per cent to around 2,070, after gaining 46 per cent in 1993.

The bank reckons on average earnings growth of nearly 30 per cent next year, led by industrial companies, after a similar outcome in 1994. Further profit rises in 1996 are also on the cards, with the corporate earnings peak likely to be reached a year later.

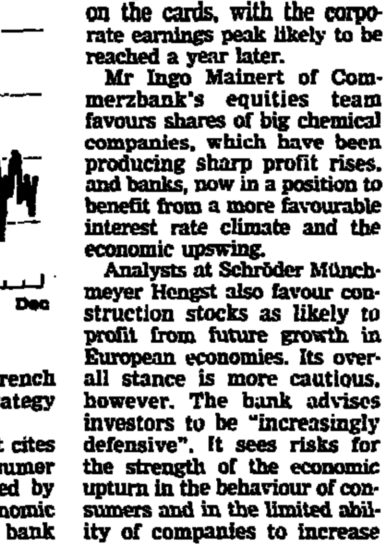
Mr Ingo Mainert of Commerzbank's equities team favours shares of big chemical companies, which have been producing sharp profit rises, and banks, now in a position to benefit from a more favourable interest rate climate and the economic upswing.

Analysts at Schröder Münchmeyer Hengst also favour construction stocks as likely to profit from future growth in European economies. Its overall stance is more cautious, however. The bank advises investors to be "increasingly defensive". It sees risks for the strength of the economic upturn in the behaviour of consumers and in the limited ability of companies to increase profit margins.

Making the point that the German stock market does not represent the German economy very effectively – much of manufacturing and service industry is in private hands – Kleinwort Benson expects a "not hugely inspiring" 1995, with the Dax pushing above 2,300 towards the year-end.

Mr Glen Liddy, a German market analyst at the UK bank, favours blue chip capital goods and chemical companies, as well as banks. But he says the German market does not have enough consumer-oriented stocks, such as Wella (haircare), to take advantage of international spending power.

Germany



Source: FT Graphite

ASIA PACIFIC

Late rally lifts Nikkei as region slows

Tokyo

A late rally lifted the Nikkei index to a slightly higher finish, but the total market was marginally off in declining volume as arbitrage buying continued to set the tone, *writes Robert Patton in Tokyo.*

The 225 average, after spending much of the day on the minus side, climbed by nearly 159 points in the final hour of trading to close at the session's high of 19,163.43, up 42.31, its third rise in as many days and a percentage point higher on the week. The day's low was 19,012.10.

However, volume shrank to an estimated 230m shares from Thursday's 287m and the broader market was sluggish. Declining issues outnumbered advances by 502 to 466, with 205 stocks flat. The Topix index of all first-section stocks eased 0.19 to 1,508.60 and the capital-weighted Nikkei 300 was off 0.04 at 279.04. In London the ISE/Nikkei 50 index put on 0.78 at 1,259.39.

Arbitrageurs bought stocks underlying the Nikkei 225 average after futures prices were pumped up by dealers.

Large-capital issues were mixed. Steelmakers shed some of Thursday's gains. Nippon Steel, the day's most active stock, lost Y8 at Y355, Kawasaki slipped Y5 to Y400 and Kobe dipped Y2 to Y303. Shipbuilders added to Thursday's rises. Mitsubishi Heavy Industries moved up Y5 to Y728 and Kawasaki Heavy Y4 to Y446.

Japan Tobacco cut a two-day rally short, declining Y7,000 to Y908,000, and NTT fell Y7,000 to Y841,000. East Japan Railway recovered Y1,000 to Y468,000.

In Osaka, the OSE average declined 21.12 to 20,830.34 in volume of 124.8m shares.

Roundup

Wall Street's overnight gain helped sentiment.

HONG KONG encountered profit-taking in a thin market. The Hang Seng index was off 93.17 or 1.1 per cent at 8,166.39, after hitting a low of 8,141.16, leaving a 4.8 per cent rise on the week. Turnover was a provisional HK$2.9bn, against HK$3.7bn for Thursday. HSBC fell HK$1.50 to HK$82.50.

The H-share index of Chinese stocks listed in Hong Kong rose 3.80 to 1,080.93.

SEOUL was lifted by broadly based buying and ended higher for the third consecutive session. The composite index added 8.89 at 1,036.76, but was unchanged on the week.

Brokers said that smaller-capitalisation shares, which had fallen sharply in recent days, staged a technical rebound, while blue chips continued to post moderate gains.

Korea Mobile Telecom closed limit up for the third day, rising Won10,000 to Won455,000. Samsung Electronics put on Won1,000 at Won114,000.

MANILA's gain was influenced by the rise on Wall Street, with the composite index climbing 29.14 to 2,708.99, bringing the week's improvement to 4 per cent.

Southeast Asia Cement Holdings, listed on Wednesday, was the week's top performer, rising 28 per cent to 1.92 pesos from its offer price of 1.50.

KUALA LUMPUR finished a choppy session lower, with falls in Telekom Malaysia and Tenaga Nasional dragging the composite index down 4.17 to 946.60. The index gained 4 per cent over the week.

Telekom fell 40 cents to M$16.60 and Tenaga lost 20 cents at M$10.20.

SYDNEY ended slightly higher after late profit-taking eroded initial gains. The All Ordinaries index was up 2.0 at 1,897.0, for a 2.5 per cent rise on the week.

BHP advanced 12 cents to A$19.12 after reporting improved six-month results.

BANGKOK chalked up a further 2 per cent gain, the SET index closing 26.47 stronger at 1,336.47, higher by 4.5 per cent on the week, in a rally led by finance and banking counters. Turnover expanded from Bt6.2bn to Bt7.9bn. The finance and banking sectors both rose by 2.3 per cent.

BOMBAY saw moderate buying interest from domestic mutual funds, and the BSE 30-share index rose 39.76 to 3,943.65. This was still 0.6 per cent lower on the week, although brokers argued that there had been an overreaction to the Congress rout in regional polls earlier in the week, when the index fell by more than 135 points.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Ltd., Goldman, Sachs & Co. and NatWest Securities Ltd. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of lines of stock	THURSDAY DECEMBER 15 1994 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	WEDNESDAY DECEMBER 14 1994 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (68)	171.53	2.1	162.86	108.78	140.17	148.59	1.7	3.93	168.02	159.45	106.49	137.07	144.16	189.15	157.26	157.43
Austria (18)	175.58	0.1	166.71	111.33	143.48	143.40	0.2	1.13	175.46	166.51	111.20	143.13	143.10	198.89	167.46	176.06
Belgium (35)	165.23	0.0	156.88	104.77	135.02	131.78	0.1	4.19	165.26	156.83	104.73	134.81	131.64	177.04	159.64	159.69
Brazil (28)	176.24	–2.1	167.33	111.75	144.01	275.41	–2.1	0.75	180.08	170.90	114.13	146.90	281.42	–	–	–
Canada (103)	127.54	0.7	121.09	80.87	104.22	128.00	0.6	2.69	126.66	120.20	80.27	103.32	127.19	145.31	120.54	132.35
Denmark (33)	239.97	0.2	227.84	152.16	196.09	201.17	0.4	1.48	239.42	227.21	151.73	195.31	200.31	275.79	234.08	234.40
Finland (24)	176.37	0.9	167.45	111.83	144.12	180.51	0.8	0.78	174.73	165.81	110.73	142.53	179.09	201.41	116.85	116.85
France (102)	164.18	–0.2	155.88	104.09	134.14	139.58	0.0	3.07	164.55	156.16	104.28	134.23	139.63	185.37	159.34	168.66
Germany (58)	137.89	1.1	130.92	87.43	112.67	112.67	1.2	1.84	136.41	129.46	86.45	111.28	111.28	150.40	128.37	133.38
Hong Kong (56)	329.65	3.4	312.99	209.02	269.38	327.49	3.3	3.78	318.92	302.66	202.12	260.17	316.92	506.56	305.99	407.51
Ireland (14)	195.80	0.1	185.71	124.03	159.84	179.34	0.2	3.56	195.34	185.38	123.80	159.36	178.88	216.80	177.56	180.13
Italy (59)	69.65	3.2	66.13	44.17	56.92	84.97	3.1	1.88	67.47	64.03	42.76	55.04	82.39	97.78	65.87	68.29
Japan (468)	151.60	0.7	143.94	96.12	123.86	96.12	0.8	0.80	150.49	142.81	95.37	122.76	95.37	170.10	127.18	133.60
Malaysia (97)	465.14	0.5	441.63	294.93	380.10	459.26	0.5	1.83	462.83	439.23	293.32	377.57	457.00	621.63	430.71	552.47
Mexico (18)	1940.25	–1.3	1842.16	1230.26	1585.49	7338.89	–1.1	1.39	1965.72	1865.47	1245.79	1603.54	7420.18	2647.08	1696.28	2198.08
Netherland (19)	210.34	0.2	199.71	133.37	171.89	168.94	0.3	3.42	209.96	199.27	133.08	171.29	168.38	223.30	191.28	191.74
New Zealand (14)	71.22	0.9	67.62	45.16	58.20	58.95	0.3	4.96	70.56	66.96	44.72	57.56	58.77	77.69	62.05	63.99
Norway (23)	201.65	0.2	191.45	127.86	164.78	187.71	0.3	1.76	201.24	190.98	127.54	164.16	187.13	211.74	168.11	168.11
Singapore (44)	362.48	3.0	344.14	229.83	296.19	245.03	3.0	1.74	351.84	333.90	222.98	287.02	237.86	401.38	294.66	342.96
South Africa (59)	324.13	1.7	307.75	205.52	264.87	288.13	0.5	2.29	318.62	302.37	201.93	259.92	286.57	342.00	205.55	244.26
Spain (38)	137.31	–0.8	130.37	87.07	112.21	137.39	–0.7	4.16	138.37	131.31	87.69	112.87	138.36	155.79	132.91	135.26
Sweden (36)	228.09	0.6	216.56	144.63	186.39	254.57	0.3	1.67	226.72	215.16	143.68	184.95	253.77	242.81	187.06	187.06
Switzerland (47)	160.87	0.6	152.74	102.00	131.46	132.33	0.8	1.84	159.89	151.73	101.33	130.43	131.49	176.56	149.91	155.93
Thailand (46)	150.37	2.2	142.77	95.35	122.88	146.59	2.1	2.61	147.06	139.56	93.20	119.96	143.62	–	–	–
United Kingdom (204)	188.63	–0.2	179.09	119.60	154.14	179.09	–0.2	4.31	189.07	179.43	119.82	154.24	179.43	214.96	181.11	196.93
USA (514)	186.38	0.1	176.96	118.18	152.31	186.38	0.1	2.95	186.21	176.72	118.01	151.90	186.21	196.04	178.95	188.04
Americas (663)	174.05	0.1	165.25	110.36	142.23	144.80	0.1	2.86	173.96	165.08	110.25	141.91	144.72	–	–	–
Europe (708)	164.47	0.3	156.16	104.29	134.40	147.96	0.3	3.17	164.05	155.68	103.96	133.82	147.48	178.58	160.59	163.26
Nordic (118)	217.74	0.6	206.73	138.06	177.93	207.62	0.4	1.42	216.53	205.49	137.23	176.64	206.74	233.91	180.30	180.30
Pacific Basin (793)	159.38	1.0	151.33	101.06	130.25	105.19	1.0	1.18	157.84	149.79	100.03	128.76	104.15	176.86	141.04	145.16
Euro-Pacific (1501)	161.42	0.7	153.25	102.35	131.90	122.12	0.7	2.04	160.35	152.17	101.62	130.80	121.25	175.14	152.54	152.54
North America (617)	182.73	0.1	173.50	115.87	149.32	182.37	0.1	2.94	182.52	173.21	115.67	148.89	182.16	192.73	175.67	184.59
Europe Ex. UK (504)	147.80	0.6	140.33	93.72	120.78	129.07	0.6	2.51	147.00	139.50	93.16	119.91	128.25	168.12	142.17	142.17
Pacific Ex. Japan (325)	236.47	2.3	224.52	149.94	193.24	207.04	2.1	3.22	231.25	219.46	146.56	188.65	202.76	296.21	224.17	255.55
World Ex. US (1709)	163.29	0.6	155.03	103.54	133.43	125.71	0.7	2.04	162.25	153.97	102.83	132.35	124.89	178.65	154.31	154.31
World Ex. UK (2019)	168.10	0.5	159.60	106.59	137.36	140.78	0.6	2.16	167.24	158.71	105.99	136.42	140.05	178.59	161.50	161.50
World Ex. Japan (1755)	181.50	0.3	172.32	115.08	148.31	172.72	0.3	3.00	180.91	171.69	114.65	147.58	172.17	195.20	176.34	182.49
The World Index (2223)	169.92	0.4	161.33	107.74	138.85	144.29	0.5	2.37	169.17	160.54	107.21	138.00	143.64	180.80	164.59	164.59

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Please note Japan Telecom will be included in the indices with a share fraction of 0.33 (effective 2/1/95) Latest prices were unavailable for this edition.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Jan	Apr	Jul	Puts Jan	Apr	Jul
Allied Domecq	550	15	33	41½	11	18	26
(*551)	600	1½	12½	20	49	50½	55½
Argyll	240	16	23½	29	3½	6	11½
(*253)	260	4½	13	18½	13	15	22
ASDA	60	5	7½	9	1	2½	3½
(*64)	70	½	3	4½	7	8	9
Brit Airways	360	12½	26	33	10½	18	25½
(*360)	390	2½	13½	20	31½	36	43
SmKl Bchm A	420	36½	46½	54	2½	10½	16
(*452)	460	11	23	31½	16	27	33½
Boots	460	31	44	46½	3½	9	15½
(*483)	500	7	21	27½	20½	26½	35
BP	420	13	23	31½	10½	17½	24
(*421)	460	1½	8	16	39½	43	48
British Steel	140	17	21½	25	½	3	5
(*158)	160	3½	10	13½	7½	11	13½
Bass	500	27	38½	46	7½	16	27
(*527)	550	3½	14	22	41½	45	54
Cable & Wire	360	13½	27	34½	10½	19	25½
(*361)	390	4	14½	21½	30½	36½	43
Courtaulds	420	31	45	50½	3½	12½	18½
(*445)	460	8	22½	29	21	29½	38
Comm Union	483	38½	47	–	2	15½	–
(*527)	543	9	20½	–	22	44½	–
ICI	700	58	66½	75½	3½	20	25½
(*746)	750	19	35½	47	20	43½	49
Kingfisher	390	30½	43½	47	3	11	18½
(*414)	420	22	25½	30½	14½	24	33
Land Secur	550	38½	53	58	1	6½	13½
(*586)	600	8½	23½	29	18	24½	35
Marks & S	360	24½	36	40½	2	6	11
(*380)	390	7	17½	23½	15	19	25
NatWest	500	18½	31½	41½	12½	31	35½
(*503)	550	3	12½	22	48	64½	67½
Sainsbury	390	14	28	35	6	16	24½
(*394)	420	3	14½	21	27½	34	41½
Shell Trans.	650	45	55	61	2	11½	13½
(*690)	700	11	24½	32½	18½	34½	36½
Storehouse	200	15	20½	25	2½	8	8½
(*215)	220	3½	9½	14½	11	16	18½
Trafalgar	70	6	8½	11½	2½	5	6
(*74)	80	1½	4	7	8½	10½	11½
Unilever	1100	58½	73½	87	8½	25½	38
(*1130)	1150	20	45	59½	28½	50	61½
Zeneca	850	35	53	65½	13	32	40½
(*872)	900	11	29	32	39½	60	68
Option		Feb	May	Aug	Feb	May	Aug
Grand Met	390	16½	27½	34	16	21½	26½
(*395)	420	5½	15½	21½	37	40½	44½
Ladbroke	140	19½	21½	25½	1	6	7
(*155)	160	7½	10½	15½	8½	15	16½
Utd Biscuits	300	29	36	38½	2	9½	12½
(*324)	330	11½	18	23½	12½	24½	27½
Option		Dec	Mar	Jun	Dec	Mar	Jun
Fisons	110	5	13½	16½	1	6½	10
(*114)	120	1	8½	12	6½	12	15
Option		Feb	May	Aug	Feb	May	Aug
Brit Aero	409	37	48½	–	10	21½	–
(*431)	446	16½	38	–	29	42	–
BAT	420	28	35½	38	9½	22	30
(*432)	460	8	17	21	32½	46½	54
BTR	280	13½	17	23½	9½	18	21
(*280)	300	5	9	15½	22	31	33
Brit Telecom	360	18	20½	25½	8½	11	18
(*376)	390	5½	14½	21	25	27½	34
Cadbury Sch	390	23	28½	34½	5½	16½	19
(*400)	420	9½	15½	21	22½	34½	38
Eastern Elec	750	40½	62	73	25	40	51½
(*766)	800	19	39½	50	54	67	79½
GEC	260	18	23	27	4	6½	11½
(*272)	280	6	12½	16½	14	16½	22
Guinness	420	28½	38	41½	4	12½	16
(*430)	460	8½	15	22½	23½	34	37

Option		Calls Feb	May	Aug	Puts Feb	May	Aug
Hanson	220	15	18½	21½	2½	7	10½
(*230)	240	5½	8½	12	13	17½	21
Lasmo	140	8	13	16½	6	9	10
(*141)	160	1½	5½	8	19½	21½	22
Lucas Inds	180	22½	27	31	2	6	8½
(*198)	200	9½	15	20	19½	21½	22
P & O	600	29	42	53½	15	32½	39½
(*610)	650	9½	20	32	45	63½	69½
Pilkington	160	8½	13	16½	4½	7½	11
(*160)	180	2	5½	8	19½	20½	23½
Prudential	300	22	26	31	6½	15	17
(*313)	330	8½	11½	17½	21½	32	34
RTZ	800	46½	58	73½	12½	28½	36
(*826)	850	20	32½	49	37	55	62
Redland	420	36½	43	49½	7	19	24
(*445)	460	14	29	29½	24	41	46
Royal Insce	280	15	22	27	11½	19½	21½
(*280)	300	7	14	19	23½	32	33½
Tesco	220	20	26	27½	2½	7½	10
(*236)	240	7	13½	16½	10	17	19½
Vodafone	200	10	16	20	8	11½	14½
(*200)	217	3½	–	–	19	–	–
Williams	300	19	27	38	4½	13	40
(*313)	330	5	12	16	20½	29½	30½
Option		Jan	Apr	Jul	Jan	Apr	Jul
BAA	450	24½	36½	–	3	11	–
(*469)	475	6½	21½	–	13	21	–
Thames Wtr	460	23½	38½	46½	6	13½	24
(*474)	500	6½	19	28½	28½	35	46½
Option		Dec	Mar	Jun	Dec	Mar	Jun
Abbey Natl	390	28	37½	42½	–	10	15½
(*418)	420	3½	17½	28	6	24	30
Amstrad	125	10½	14½	18	½	4½	7
(*134)	150	½	3½	7½	16	18½	21½
Barclays	600	9½	33½	45	3½	28	36
(*604)	650	–	13½	24½	45½	60½	66½
Blue Circle	260	12½	24½	29½	1	7	15½
(*271)	280	1½	14	19½	10	18½	26
British Gas	300	8	19½	26½	1	8	16
(*307)	330	–	6½	12½	22½	25½	33½
Dixons	160	17½	21½	27	–	4	6½
(*177)	180	2	10	16	5	12	15½
Hillsdown	160	15½	20	22½	–	1½	5
(*175)	180	1	7½	11	5½	9	17
Lonrho	140	9	14	18	1	5½	8
(*148)	160	–	4½	9½	12	16½	19
Natl Power	460	12½	31½	44½	1½	13½	23½
(*470)	500	–	13½	22½	30½	47½	53
Scot Power	330	8½	21½	32½	2	16½	23
(*337)	360	–	9	20	23	33½	40
Sears	100	6½	10½	12½	½	3	5
(*106)	110	1	5½	7	5	8	10½
Forte	220	14½	22	26	–	5	10
(*234)	240	1½	10½	16	7	13½	20
Tarmac	120	2½	10	13½	2	8½	11½
(*120)	130	–	6	9	10	14½	17½
Thorn EMI	1000	15½	44½	67½	7½	29	36
(*1013)	1050	½	22½	42½	48½	59	63½
TSB	220	16½	23	28	–	7	9½
(*236)	240	2	11	16½	5½	16½	19½
Tomkins	200	13½	19	25½	–	5½	9
(*213)	220	1	9	15½	7½	15½	18½
Wellcome	650	34	59½	74½	1	22	34
(*682)	700	4	33	40½	21	47	59
Option		Jan	Apr	Jul	Jan	Apr	Jul
Glaxo	600	37	52	66	7	25½	33
(*626)	650	11½	27½	44	31½	52½	59
HSBC 75p shs	650	57	76½	84½	6	24½	30
(*699)	700	24	46	57	21½	48	54½
Reuters	460	16½	28½	30½	12	23	29½
(*462)	500	4	13½	22½	39½	47½	53
Option		Feb	May	Aug	Feb	May	Aug
Rolls-Royce	160	16	20	23½	2½	6½	8½
(*172)	180	5	9½	13½	11½	16½	18½

* Underlying security price. Premiums shown are based on settlement prices.
December 16 Total contracts: 45,480 Calls: 24,541 Puts: 20,939

FT GOLD MINES INDEX

	Dec 15	% chg on day	Dec 14	Dec 13	Year ago	Gross div yield %	52 week High	Low
Gold Mines Index (34)	1874.17	–0.6	1885.48	1887.81	2178.73	2.34	2387.40	1762.02
■ Regional Indices								
Africa (16)	2908.88	–1.2	2944.23	2941.54	3079.80	4.81	3711.87	2304.46
Australasia (7)	2361.85	+3.2	2288.35	2212.33	2568.11	2.21	3013.89	2171.66
North America (11)	1496.21	–1.1	1513.56	1498.92	1853.61	0.89	2039.65	1417.00

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Figures in brackets show number of companies. Basis US Dollars. Base Values: 1000.00 31/12/92.
Predecessor Gold Mines Index: Dec 16: 224.4 ; day's change: +1.6 points; Year ago: 247.6 † Partial.
Latest prices were unavailable for this edition.

RISES AND FALLS

	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	16	27	27	132	151	67
Other Fixed Interest	1	0	13	8	13	49
Mineral Extraction	48	66	82	284	260	438
General Manufactures	133	95	400	551	721	1,888
Consumer Goods	54	29	103	210	216	504
Services	96	71	324	358	516	1,581
Utilities	28	9	6	114	65	36
Financials	85	84	197	398	461	979
Investment Trusts	95	42	328	462	324	1,539
Others	47	28	43	210	168	204
Totals	603	451	1,523	2,715	2,895	7,263

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	December 5	Expiry	March 9
Last Dealings	December 16	Settlement	March 23

Calls: BTR Wts '94-5, BTR Wts '95-6, Brackenbridge, Murray Emerg Wts, Royal Ins, VideoLogic, Wilshaw. Puts: Royal Ins. Puts & Calls: Kunick, Ramco Energy.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1994 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
150	F.P.	79.4	152	145	Ashbourne	148	-3	WN3.0	3.1	2.5	13.6
100	F.P.	4.79	95	90½	Asset Man Inv	95		–	–	–	–
–	F.P.	4,407.7	258	256	BSkyB	257	+½	N-	–	–	–
–	F.P.	68.9	173	133	Clydeport	167	+2	RN3.51	–	2.6	–
100	F.P.	20.4	130	101	Euclidian	102		–	–	–	–
141	F.P.	23.0	143	140	Eurovein	140		WN8.2	1.8	5.5	11.2
–	F.P.	455.0	495	468	Fidelity Spec Units	468		–	–	–	–
100	F.P.	10.8	101	98	Finsbury Smir C	98		–	–	–	–
$10	F.P.	37.2	625	615	First Russian Fr	620		–	–	–	–
100	F.P.	46.0	94	91	Fleming Nat Res	92		–	–	–	–
100	F.P.	30.0	106	98½	For & Col Emrg C	104½	+½	–	–	–	–
100	F.P.	30.3	102	98	Hoare Govett 1000	101		–	–	–	–
80	F.P.	10.9	83	83	Hydro Intl.	83		RN-	–	–	33.8
–	F.P.	28.8	100	90	INVESCO Korea C	96		–	–	–	–
120	F.P.	25.8	128	123	Innovative Techs	123		N-	–	–	–
215	F.P.	68.4	232	228	JJB Sports	228		RN6.0	2.4	3.3	13.9
100	F.P.	27.0	103	100	Kiln Capital	100		F4.0	–	5.0	–
100	F.P.	59.4	101	99	Leg & Gen Recvry	99	-1	–	–	–	–
100	F.P.	43.5	94	82	Matheson Lloyds	87		–	–	–	–
100	F.P.	59.8	92	88	Murray Emrg Econ	92		–	–	–	–
–	F.P.	14.7	145	138	RAP Group	138		RN4.65	2.1	4.2	10.8
175	F.P.	35.0	210	203	RM	208	-1	N4.8	3.1	2.9	13.4
–	F.P.	5.75	108	105	Residential Prop	105		–	–	–	–
120	F.P.	63.5	144	120	SeaPerfect	129		–	–	–	–
182	F.P.	1,496.5	188	177	Telewest	181½	+2	–	–	–	–
100	F.P.	17.6	102	102	Wellington Un.	102		–	–	–	–

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1994 High	Low	Stock	Closing price p	+or-
190	Nil	25/1	30pm	16pm	Cowie	18pm	
100	Nil	25/1	27pm	19pm	Division Grp	27pm	+4
53	Nil	31/1	1½pm	1½pm	MY	1½pm	
37	Nil	3/1	5pm	2pm	OMI	2pm	
12	Nil	3/1	1½pm	¼pm	Saltire	¼pm	
25	Nil	16/1	4pm	¾pm	Usborne	¾pm	

FINANCIAL TIMES EQUITY INDICES

	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Yr ago	*High	*Low
Ordinary Share	2314.3	2289.7	2292.8	2267.0	2265.7	2505.1	2713.6	2240.6
Ord. div. yield	4.51	4.55	4.56	4.60	4.61	3.72	4.61	3.43
Earn. yld. % full	6.61	6.67	6.67	6.75	6.75	4.22	6.75	3.82
P/E ratio net	17.47	17.29	17.31	17.11	17.09	28.91	33.43	16.94
P/E ratio nil	17.03	16.87	16.89	16.69	16.67	27.73	30.80	16.67

*For 1994. Ordinary Share index since compilation: high 2713.6 2/02/94; low 49.4 26/6/40
FT Ordinary Share index base date 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2286.1	2276.6	2283.5	2305.0	2311.2	2309.4	2308.7	2310.2	2313.9	2314.7	2273.1

	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Yr ago
SEAQ bargains	20,881	19,370	19,830	19,267	19,913	38,153
Equity turnover (£m)†	-	1184.6	1576.3	1599.3	1396.4	1841.8
Equity bargains†	-	26,200	27,758	26,698	27,306	42,867
Shares traded (ml)†	-	518.5	699.4	662.1	577.7	830.7

†Excluding intra-market business and overseas turnover.

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WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Dec 16 / US$)

(3 pm)

[illegible]

CANADA (Dec 16 / Can. $)

(3 pm)

[illegible]

EUROPE

AUSTRIA (Dec 16 / Sch)

[illegible]

BELGIUM/LUXEMBOURG (Dec 16 / Frs.)

[illegible]

DENMARK (Dec 16 / Kr)

[illegible]

FINLAND (Dec 16 / Mkk)

[illegible]

FRANCE (Dec 16 / Frs.)

[illegible]

GERMANY (Dec 16 / Dm.)

[illegible]

ITALY (Dec 16 / Lire)

[illegible]

NETHERLANDS (Dec 16 / Fls.)

[illegible]

NORWAY (Dec 16 / Kroner)

[illegible]

SPAIN (Dec 16 / Pts.)

[illegible]

SWEDEN (Dec 16 / Kronor)

[illegible]

SWITZERLAND (Dec 16 / Frs.)

[illegible]

AFRICA

SOUTH AFRICA (Dec 16 / Rand)

[illegible]

PACIFIC

JAPAN (Dec 16 / Yen)

[illegible]

AUSTRALIA (Dec 16 / Aus$)

[illegible]

HONG KONG (Dec 16 / H.K.$)

[illegible]

MALAYSIA (Dec 16 / MYR)

[illegible]

SINGAPORE (Dec 16 / S$)

[illegible]

INDICES

	Dec 16	Dec 15	Dec 14	1994 High		1994 Low	
Argentina							
General (29/12/77)	(u)	17593.41†	17581.77	25470.40	16/2	16782.81	28/11
Australia							
All Ordinaries(1/1/80)	1897.0	1895.0	1863.8	2340.60	3/2	1842.00	12/12
All Mining(1/1/80)	907.0	901.5	881.6	1138.10	3/2	879.10	12/12
Austria							
Credit Aktien(30/12/84)	387.16	387.32	388.17	480.88	2/2	378.94	25/10
Traded Index(2/1/91)	1027.22	1027.23	1026.83	1222.25	1/2	1011.38	8/6
Belgium							
BEL20 (1/1/91)	1394.44	1383.83	1385.86	1542.65	9/2	1338.39	7/10
Brazil							
Bovespa (29/12/83)	(u)	48427.0	49769.0	55116.09	13/9	3600.90	3/1
Canada							
Metals Minls♦(1975)	(u)	4014.54	3930.53	4278.02	20/10	3299.08	20/4
Composite♦ (1975)	(u)	4111.70	4078.90	4808.90	23/3	3958.90	24/6
Portfolio§§ (4/1/83)	(u)	2008.36	1990.03	2182.69	1/2	1908.48	28/6
Chile							
IPGA Gen (31/12/80)	(u)	5542.7	5571.3	5754.40	21/11	3801.29	4/4
Denmark							
CopenhagenSE(3/1/83)	336.92	338.15	336.95	415.79	2/2	335.75	13/12
Finland							
HEX General(28/12/90)	1805.8	1818.6	1805.6	1972.90	4/2	1601.10	3/1
France							
SBF 250 (31/12/90)	1268.23	1270.11	1270.93	1586.20	2/2	1227.86	25/10
CAC 40(31/12/87)	1924.16	1931.10	1930.02	2355.93	2/2	1824.42	25/10
Germany							
FAZ Aktien(31/12/58)	774.16	769.88	763.08	858.27	18/5	742.84	5/10
Commerzbank(1/12/53)	2219.7	2195.8	2176.7	2465.50	2/5	2118.39	5/10
DAX (30/12/87)‡	2070.06	2052.69	2024.77	2271.11	16/5	1960.59	7/10
Greece							
Athens SE(31/12/80)	865.30	875.93	882.16	1194.56	18/1	804.37	22/11
Hong Kong							
Hang Seng(31/7/64)	8168.39	8259.56	7997.35	12201.09	4/1	7707.78	12/12
India							
BSE Sens.(1979)	3943.65	3903.89	3861.47	4628.57	12/9	3454.00	5/1
Indonesia							
Jakarta Comp.(10/8/82)	458.78	458.93	453.37	612.89	5/1	447.84	13/12
Ireland							
ISEQ Overall(4/1/88)	1785.75	1778.06	1774.15	2082.16	20/1	1694.14	1/7
Italy							
Banca Comm Ital (1972)	605.77	591.83	582.91	817.17	10/5	581.84	13/12
MIB General (4/1/94)	961.0	959.0	944.0	1318.00	10/5	942.00	13/12
Japan							
Nikkei 225 (16/5/49)	19163.43	19121.12	18931.49	21552.81	13/6	17369.74	4/1
Nikkei 300 (1/10/82)	278.04	279.08	276.79	311.71	13/6	268.22	4/1
Topix (4/1/68)	1508.60	1508.79	1498.04	1712.73	13/6	1445.97	4/1
2nd Section (4/1/68)	2049.78	2057.22	2051.42	2542.66	6/7	1873.33	4/1
Malaysia							
KLSE Comp.(4/4/86)	946.60	950.77	937.15	1314.46	5/1	895.77	12/12
Mexico							
IPC (Nov 1978)	(u)	2378.66	2401.55	2881.17	8/2	1957.38	20/4
Netherland							
CBS TtlRtnGen(End 83)	436.8	438.0	434.6	454.90	31/1	408.30	21/6
CBS All Shr (End 83)	274.1	273.5	272.7	294.80	31/1	257.90	21/6
New Zealand							
Cap. 40 (1/7/86)	1924.86	1908.22	1895.66	2438.64	3/2	1878.09	12/12
Norway							
Oslo SE(Ind)(2/1/83)	1093.28	1093.44	1091.27	1211.10	28/2	988.91	21/6
Philippines							
Manila Comp (2/1/85)	2708.99	2679.85	2617.90	3308.37	4/1	2587.33	9/3
Portugal							
BTA (1977)	2935.8	2933.0	2948.3	3226.60	18/2	2812.80	20/6
Singapore							
SES All-S'pore(2/4/75)	528.72	527.54	514.69	641.81	4/1	508.84	13/12
South Africa							
JSE Gold (28/9/78)	(c)	1831.6♥	1891.9	2534.80	7/9	1749.00	14/2
JSE Indl. (28/9/78)	(c)	6627.3♥	6753.7	6984.10	22/11	5449.00	19/1
South Korea							
KoreaCompEx(4/1/80)**	1036.76	1027.99	1026.61	1138.75	8/11	855.37	2/4
Spain							
Madrid SE (30/12/85)	297.95	297.43	299.34	369.31	31/1	286.66	28/10
Sweden							
AffarsvardnGen (1/2/37)	1470.00	1471.60	1463.80	1603.98	31/1	1334.76	6/7
Switzerland							
Swiss Bk Ind (31/12/58)	1228.73	1224.19	1216.25	1423.34	31/1	1138.72	27/10
SBC General (1/4/87)	918.40	916.80	911.98	1093.29	31/1	876.57	27/10
Taiwan							
WeightedPr.(30/6/66)**	6865.60	6823.13	6681.90	7191.13	30/9	5194.63	19/3
Thailand							
Bangkok SET (30/4/75)	1336.47	1310.00	1280.07	1753.73	4/1	1196.39	4/4
Turkey							
Istanbul Cmp.(Jan 1986)	27874.7	27825.4	27941.5	28146.10	2/12	12980.70	24/3
WORLD							
MS Capital Int (1/1/70)§	607.7*	606.1	603.4	648.90	2/11	591.60	4/4
CROSS-BORDER							
Eurotrack 100(26/10/90)	1329.65	1326.74	1316.82	1540.19	31/1	1286.48	5/10
Euro Top-100 (26/6/90)	1170.57	1163.59	1157.93	1311.01	2/2	1136.48	5/10
JCapelDrgns (31/12/88)	(u)	300.06	292.39	385.19	5/1	286.49	12/12
Barings Emerg.(7/1/92)	170.55	171.47	169.24	191.79	26/9	141.65	21/4

■ CAC-40 STOCK INDEX FUTURES (MATIF)

	Open	SettPrice	Change	High	Low	Est. vol.	Open int.
Dec	1948.0	1934.0	-3.0	1948.0	1931.0	14,141	30,023
Jan	1954.5	1942.5	-3.0	1955.5	1940.0	1,598	4,683
964	1964.5	1952.2	-3.0	1964.5	1964.5	1,349	808

Open interest figures for previous day.

** Sat Dec 10: Taiwan Weighted Price 6722.81; Korea Comp Ex 1033.27. Base values of all indices are 100 except: Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall; Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 20 Industrials – 264.3; NYSE All Common – 50 and Standard and Poors – 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. ‡ IBIS/DAX after-hours Index: Dec 16 - 2069.90 +16.67

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

US INDICES

Dow Jones	Dec 15	Dec 14	Dec 13	1994 High	1994 Low	Since compilation High	Since compilation Low
Industrials	3765.47	3748.29	3715.34	3978.36 (31/1)	3593.35 (4/4)	3978.36 (31/1/94)	41.22 (2/7/32)
Home Bonds	94.46	94.43	94.25	105.81 (21/1)	93.61 (28/11)	109.77 (18/10/93)	54.99 (1/10/81)
Transport	1412.41	1394.02	1371.89	1862.29 (2/2)	1371.89 (13/12)	1862.29 (2/2/94)	12.32 (8/7/32)
Utilities	181.32	182.44	181.72	227.08 (3/1)	173.94 (22/11)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's high 3794.07 (3772.20) Low 3728.13 (3700.57) (Theoretical♦)
Day's high 3776.90 (3758.74) Low 3743.60 (3713.99) (Actual♦)

Standard and Poors							
Composite ‡	455.34	454.97	450.15	482.00 (2/2)	438.92 (4/4)	482.00 (2/2/94)	4.40 (1/6/32)
Industrials♥	540.03	539.05	533.71	563.19 (28/10)	510.05 (21/4)	563.19 (28/10/94)	3.62 (21/6/32)
Financial	41.78	41.78	41.16	46.94 (14/6)	38.87 (22/11)	48.46 (28/9/93)	8.64 (1/10/74)
NYSE Comp.	248.98	248.33	245.72	267.71 (2/2)	243.14 (4/4)	267.71 (2/2/94)	4.46 (25/4/42)
Amex Mkt Val	426.02	423.07	429.23	487.89 (2/2)	420.23 (13/12)	487.89 (2/2/94)	29.31 (9/12/72)
NASDAQ Comp	738.88	725.87	719.49	803.93 (18/3)	693.79 (24/6)	803.93 (18/3/94)	54.87 (31/10/72)

■ RATIOS

	Dec 9	Dec 2	Nov 25	Year ago
Dow Jones Ind. Div. Yield	2.88	2.84	2.87	2.88
	Dec 14	Dec 7	Nov 30	Year ago
S & P Ind. Div. yield	2.47	2.48	2.48	2.45
S & P Ind. P/E ratio	18.40	18.29	18.42	27.16

■ STANDARD AND POORS 500 INDEX FUTURES $500 times index

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Dec	-	455.40	-	-	-	37,183	75,892
Mar	458.55	459.10	+0.45	459.40	458.15	99,228	201,916
Jun	-	463.00	-	-	-	361	6,813

Open interest figures are for previous day.

■ NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Close price	Change on day
Hanson	12,284,500	18	-¼
Sprint	6,888,900	27	-3¾
Vodafone	4,013,000	31⅛	—
Compaq	3,693,500	39¾	+1⅝
RJR Nabisco	3,397,700	5⅞	-⅛
SW Airlines	2,721,600	16½	+⅞
Wal-Mart	2,583,600	22½	-¼
AT&T	2,456,700	51	—
GTE Corp	2,431,600	30¼	-⅛
Nat Health	2,427,600	13⅝	-⅜

■ TRADING ACTIVITY

● Volume (million)

	Dec 15	Dec 14	Dec 13
New York SE	332.780	354.983	307.103
Amex	16.300	16.052	19.422
NASDAQ	322.575	304.565	237.477
NYSE			
Issues Traded	2,837	2,854	2,857
Rises	1,508	1,551	1,247
Falls	798	751	1,017
Unchanged	631	552	593
New Highs	19	21	11
New Lows	100	132	178

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CURRENCIES AND MONEY

MARKETS REPORT

Sterling steady

Sterling was yesterday left unmoved by the ruling Conservative Party's massive defeat in the Dudley West by-election, *writes Philip Gawith.*

A poor showing by the government had been so widely discounted as to be of negligible impact.

Sterling actually finished the day in London slightly firmer, at DM2.4561, from DM2.4542, and at $1.563 from $1.5615.

For the most part, foreign exchanges were lost in a deep pre-Christmas slumber. There was little currency movement of note, and volumes were in some cases so low as to be derisory.

The Irish punt showed no reaction to the formation of a new government, and in America, the dollar was similarly unresponsive to President Clinton's address in which he promised $60bn in tax cuts over five years. It finished virtually unchanged at DM1.5714 and Y100.15.

In Europe, Mr Jacques Santer, incoming president of the European Commission, said the Community would have failed if it had not achieved monetary union by 1999. He said he hoped to achieve the third phase of monetary union by 1997.

■ The Irish punt showed almost no reaction to the formation of the new government, resolving a month of political uncertainty. It finished at I£1.0164 against sterling, from I£1.016.

■ **Pound in New York**

Dec 16	—Latest—	— Prev. close —
£ spot	1.5630	1.5630
1 mth	1.5627	1.5628
3 mth	1.5626	1.5626
1 yr	1.5617	1.5611

Mr Jim Power, senior economist at the Bank of Ireland in Dublin said: "There is nothing in the programme of this government that could disturb financial markets. The biggest threat on the interest rate front will be when the UK next raises rates."

The incoming government bolstered sentiment by pledging adherence to the Maastricht convergence criteria.

Mr Power noted that the punt is not a heavily traded currency. "Most of the business is customer driven. Virtually no-one takes speculative positions in the currency."

The markets' apathetic response to the UK by-election result, was explained by Mr Nick Parsons, treasury economist at CIBC. "To the extent that the by-election defeat merely reflected expectations, it had no currency impact."

■ Some observers believe that President Clinton's tax plans could help the dollar. They reason that the corollary of fiscal relaxation will be higher interest rates in the current cycle, which should help the dollar.

In their fortnightly survey, the financial consultancy IDEA found that respondents "remained dollar bullish, but suggested on the whole that any reasonable rally would wait until after the turn of the year."

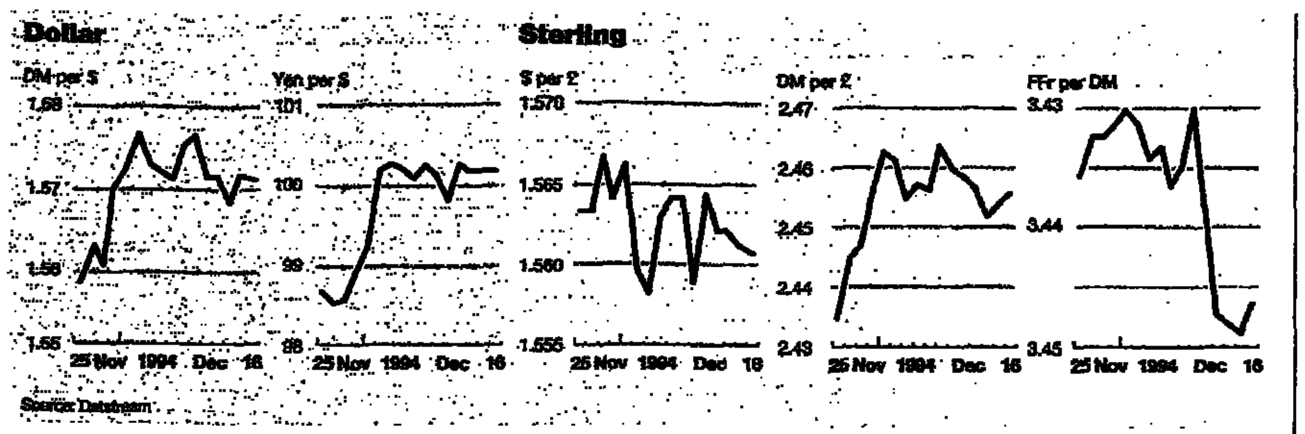
On a two month outlook, respondents saw the dollar reaching DM1.59 and Y102.

■ Traders continue to watch the lira closely. The prime minister, Mr Silvio Berlusconi, has confirmed there will be a vote of confidence next week, which he could well lose.

Fanning the flames yesterday was Mr Umberto Bossi, head of the Northern League, and member of the coalition government. He said he expected a change of government in the new year.

The market remains confused about the implications. In the same IDEA survey, the lira was a popular choice both as best and worst European currency in 1995. Respondents were more positive about sterling, with a net 20 per cent looking for a bullish return.

■ The Bank of England cleared a £1.1bn money market shortage, at established rates, in its daily operations.



Source: Datastream

POUND SPOT FORWARD AGAINST THE POUND

Dec 16		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	Bank of Eng. Index
Europe													
Austria	(Sch)	17.2907	+0.0203	813 - 001	17.3028	17.2525	17.2769	1.0	17.2363	1.3	-	-	115.4
Belgium	(BFr)	50.4693	-0.028	375 - 011	50.5650	50.4330	50.4943	-0.6	50.3643	0.8	49.8043	1.3	117.1
Denmark	(DKr)	9.6305	+0.0062	250 - 359	9.6438	9.6181	9.6271	0.4	9.6347	-0.2	9.6012	0.3	116.7
Finland	(FM)	7.6025	-0.0122	922 - 127	7.6250	7.5920	-	-	-	-	-	-	87.8
France	(FFr)	8.4637	-0.0002	594 - 679	8.4704	8.4531	8.4604	0.5	8.4574	0.8	8.4113	0.6	108.6
Germany	(DM)	2.4561	+0.0019	547 - 574	2.4591	2.4531	2.455	0.5	2.4509	0.8	2.4166	1.6	126.3
Greece	(Dr)	379.481	-0.03	281 - 680	379.954	379.267	-	-	-	-	-	-	-
Ireland	(I£)	1.0164	+0.0004	157 - 170	1.0176	1.0156	1.0166	-0.2	1.0156	0.3	1.0144	0.2	106.1
Italy	(L)	2557.07	+6.44	468 - 945	2560.03	2544.92	2563.57	-3.1	2575.72	-2.9	2627.62	-2.8	73.0
Luxembourg	(LFr)	50.4693	-0.028	375 - 011	50.5650	50.4330	50.4943	-0.6	50.3643	0.8	49.8043	1.3	117.1
Netherlands	(Fl)	2.7486	+0.0008	469 - 502	2.7529	2.7465	2.747	0.7	2.7433	0.8	2.7078	1.5	121.0
Norway	(NKr)	10.7144	+0.0052	088 - 201	10.7339	10.6919	10.7147	0.0	10.7133	0.0	10.7044	0.1	96.0
Portugal	(Es)	252.034	+0.016	875 - 193	252.285	251.795	252.854	-3.9	254.329	-3.6	-	-	-
Spain	(Pta)	206.230	+0.001	109 - 351	206.740	205.961	206.585	-2.1	207.245	-2.0	209.97	-1.8	85.0
Sweden	(SKr)	11.7808	+0.0069	692 - 924	11.8238	11.7419	11.7978	-1.7	11.8308	-1.7	11.9493	-1.4	75.6
Switzerland	(SFr)	2.0762	+0.0044	747 - 776	2.0800	2.0742	2.0721	2.4	2.0656	2.1	2.0199	2.7	120.6
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	80.4
Ecu	-	1.2884	+0.0006	877 - 891	1.2891	1.2871	1.2883	0.1	1.2882	0.1	1.2829	0.4	-
SDR†	-	0.930161	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5604	+0.0027	598 - 610	1.5607	1.5584	-	-	-	-	-	-	-
Brazil	(R)	1.3246	-0.0011	234 - 258	1.3299	1.3230	-	-	-	-	-	-	-
Canada	(C$)	2.1692	+0.0051	681 - 703	2.1709	2.1652	2.1696	-0.2	2.1706	-0.3	2.1804	-0.5	85.8
Mexico	(New Peso)	5.4111	+0.0093	078 - 144	5.4149	5.4070	-	-	-	-	-	-	-
USA	($)	1.5630	+0.0015	625 - 635	1.5645	1.5620	1.5631	-0.1	1.563	0.0	1.5613	0.1	63.4
Pacific/Middle East/Africa													
Australia	(A$)	2.0154	+0.009	141 - 166	2.0187	2.0093	2.0173	-1.1	2.0218	-1.3	2.0511	-1.8	-
Hong Kong	(HK$)	12.0945	+0.0121	898 - 991	12.1061	12.0875	12.0405	5.4	12.04	1.8	12.055	0.3	-
India	(Rs)	49.0352	+0.0525	156 - 548	49.0780	49.0040	-	-	-	-	-	-	-
Japan	(Y)	156.535	-0.094	438 - 631	156.860	156.430	155.995	4.1	154.94	4.1	148.875	4.9	188.7
Malaysia	(M$)	4.0080	+0.0049	059 - 101	4.0111	4.0054	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.4455	+0.0112	437 - 472	2.4477	2.4380	2.4519	-3.1	2.484	-3.0	2.5021	-2.3	-
Philippines	(Peso)	37.6371	+0.0061	469 - 273	37.7300	37.5370	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.8618	+0.0056	595 - 641	5.8670	5.8588	-	-	-	-	-	-	-
Singapore	(S$)	2.2901	-0.0006	886 - 916	2.2925	2.2862	-	-	-	-	-	-	-
S Africa (Com.)	(R)	5.5819	+0.0079	789 - 848	5.5853	5.5782	-	-	-	-	-	-	-
S Africa (Fin.)	(R)	6.3068	-0.0437	891 - 244	6.3367	6.2834	-	-	-	-	-	-	-
South Korea	(Won)	1240.48	+1.54	000 - 095	1241.58	1239.38	-	-	-	-	-	-	-
Taiwan	(T$)	41.2785	+0.0561	617 - 952	41.3145	41.2016	-	-	-	-	-	-	-
Thailand	(Bt)	39.2548	+0.0351	266 - 829	39.2920	39.2260	-	-	-	-	-	-	-

†SDR rates for Dec 15. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1985 = 100. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T.

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Dec 16		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	low	One month Rate	%PA	Three months Rate	%PA	One year Rate	%PA	J.P Morgan Index
Europe													
Austria	(Sch)	11.0625	+0.002	600 - 650	11.0680	11.0430	11.055	0.8	11.0385	0.9	10.941	1.1	104.5
Belgium	(BFr)	32.2900	-0.05	800 - 000	32.3420	32.2800	32.275	0.6	32.225	0.8	31.89	1.2	106.1
Denmark	(DKr)	6.1615	-0.0022	600 - 630	6.1752	6.1530	6.1627	-0.2	6.1625	-0.1	6.149	0.2	105.1
Finland	(FM)	4.8640	-0.0127	590 - 690	4.8790	4.8573	4.8618	0.6	4.8585	0.5	4.8415	0.5	81.9
France	(FFr)	5.4150	-0.0056	140 - 160	5.4216	5.4065	5.4132	0.4	5.4102	0.4	5.377	0.7	105.8
Germany	(D)	1.5714	-0.0004	710 - 717	1.5726	1.5683	1.5708	0.5	1.5684	0.8	1.5491	1.5	107.1
Greece	(Dr)	242.790	-0.26	740 - 840	242.850	242.700	245.29	-12.4	250.24	-12.3	267.54	-10.2	68.3
Ireland	(I£)	1.5379	+0.001	373 - 384	1.5391	1.5350	1.5384	-0.4	1.5385	-0.1	1.5387	-0.1	-
Italy	(L)	1638.00	+2.5	500 - 700	1638.00	1628.75	1639.75	-2.8	1647	-2.7	1679	-2.6	73.6
Luxembourg	(LFr)	32.2900	-0.05	800 - 000	32.3420	32.2800	32.275	0.6	32.225	0.8	31.89	1.2	106.1
Netherlands	(Fl)	1.7585	-0.0013	580 - 590	1.7611	1.7577	1.7577	0.6	1.7552	0.8	1.7333	1.4	105.7
Norway	(NKr)	6.8550	-0.0035	535 - 565	6.8732	6.8369	6.8552	0.0	6.8575	-0.1	6.795	0.9	96.2
Portugal	(Es)	161.250	-0.15	200 - 300	161.380	161.150	161.875	-4.7	163	-4.3	167	-3.6	94.9
Spain	(Pta)	131.945	-0.13	910 - 980	132.280	131.750	132.18	-2.1	132.62	-2.0	134.445	-1.9	80.0
Sweden	(SKr)	7.5373	-0.0018	323 - 423	7.5658	7.5076	7.5485	-1.8	7.5698	-1.7	7.6523	-1.5	80.8
Switzerland	(SFr)	1.3283	+0.0015	278 - 288	1.3305	1.3275	1.3261	2.0	1.3218	2.0	1.2941	2.6	106.8
UK	(£)	1.5630	+0.0015	625 - 635	1.5645	1.5620	1.5631	-0.1	1.563	0.0	1.5613	0.1	88.9
Ecu	-	1.2132	+0.0005	129 - 134	1.2141	1.2128	1.213	0.2	1.2133	0.0	1.2197	-0.5	-
SDR†	-	1.45133	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9984	+0.0006	983 - 984	0.9984	0.9976	-	-	-	-	-	-	-
Brazil	(R)	0.8475	-0.0015	470 - 480	0.8510	0.8470	-	-	-	-	-	-	-
Canada	(C$)	1.3879	+0.0019	876 - 881	1.3881	1.3859	1.3881	-0.1	1.3899	-0.6	1.3989	-0.8	82.3
Mexico	(New Peso)	3.4620	+0.0025	610 - 630	3.4630	3.4610	3.463	-0.3	3.4648	-0.3	3.4722	-0.3	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	97.4
Pacific/Middle East/Africa													
Australia	(A$)	1.2894	+0.0045	890 - 898	1.2913	1.2857	1.2901	-0.7	1.2919	-0.8	1.3047	-1.2	92.1
Hong Kong	(HK$)	7.7380	+0.0001	375 - 385	7.7385	7.7375	7.738	0.3	7.7348	0.2	7.7425	-0.1	-
India	(Rs)	31.3725	+0.0025	700 - 750	31.3750	31.3700	31.4425	-2.7	31.5875	-2.7	-	-	-
Japan	(Y)	100.150	-0.16	120 - 180	100.380	100.120	99.83	3.8	99.16	4.0	95.565	4.6	149.0
Malaysia	(M$)	2.5643	+0.0006	638 - 648	2.5648	2.5638	2.5613	1.4	2.5568	1.2	2.5848	-0.8	-
New Zealand	(NZ$)	1.5646	+0.0056	640 - 652	1.5652	1.5598	1.5655	-0.7	1.568	-0.9	1.577	-0.8	-
Philippines	(Peso)	24.0800	-0.02	300 - 300	24.3500	23.8500	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7504	-0.0001	501 - 506	3.7506	3.7501	3.754	-1.1	3.7609	-1.1	3.7754	-0.7	-
Singapore	(S$)	1.4652	-0.0018	647 - 657	1.4661	1.4647	1.4637	1.3	1.4602	1.4	1.4437	1.5	-
S Africa (Com.)	(R)	3.5713	+0.0015	705 - 720	3.5720	3.5700	3.5868	-5.2	3.6189	-5.3	3.7838	-6.0	-
S Africa (Fin.)	(R)	4.0350	-0.032	250 - 450	4.0550	4.0250	4.063	-8.3	4.1075	-7.2	4.345	-7.7	-
South Korea	(Won)	793.650	+0.2	600 - 700	793.800	793.100	796.65	-4.5	800.15	-3.3	818.65	-3.2	-
Taiwan	(T$)	26.4098	+0.0098	075 - 120	26.4120	26.3690	26.4298	-0.9	26.4698	-0.9	-	-	-
Thailand	(Bt)	25.1150	-0.0025	050 - 250	25.1250	25.1050	25.1445	-1.4	25.2355	-1.9	25.64	-2.1	-

†SDR rate for Dec 15. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Dec 15. Base average 1990=100

WORLD INTEREST RATES

MONEY RATES

December 16	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	4⅞	5½	5⅞	5¾	6⅛	7.40	4.50	-
week ago	4⅞	5⅛	5⅝	5⅞	6⅛	7.40	4.50	-
France	5⅝	5⅝	6	6⅛	6⅛	5.00	-	6.75
week ago	5⅝	5⅝	5¾	6	6⅛	5.00	-	6.75
Germany	5.00	5.48	5.48	5.55	5.85	6.00	4.50	4.85
week ago	5.00	5.48	5.30	5.43	5.75	6.00	4.50	4.85
Ireland	5⅝	5⅝	5⅞	6⅛	7⅛	-	-	6.25
week ago	5⅝	5⅝	6⅞	6⅞	7⅛	-	-	6.25
Italy	8⅛	8¾	9	9⅛	10⅛	-	7.50	8.20
week ago	8⅛	8¾	8⅞	9¼	10	-	7.50	8.20
Netherlands	4.84	5.47	5.51	5.62	5.95	-	5.25	-
week ago	4.84	5.47	5.43	5.57	5.84	-	5.25	-
Switzerland	3⅞	4	4⅜	4⅞	4⅞	6.625	3.50	-
week ago	3⅞	4	4¼	4⅜	4¾	6.625	3.50	-
US	5⅝	6⅛	6¼	6¾	7½	-	4.75	-
week ago	5⅝	6⅛	6⅛	6⅞	7½	-	4.75	-
Japan	2¼	2⅛	2⅛	2⅛	2⅞	-	1.75	-
week ago	2¼	2⅛	2⅛	2⅛	2⅞	-	1.75	-
■ $ LIBOR FT London								
Interbank Fixing	-	6⅛	6⅝	6⅞	7½	-	-	-
week ago	-	6⅛	6¾	6⅞	7⅛	-	-	-
US Dollar CDs	-	5.65	6.01	6.52	7.25	-	-	-
week ago	-	5.65	6.09	6.58	7.31	-	-	-
SDR Linked Ds	-	4⅜	4⅞	5¼	5⅛	-	-	-
week ago	-	4⅜	4⅞	5¼	5⅛	-	-	-

ECU Linked Ds mid rates: 1 mth: 5⅛; 3 mths: 5¾; 6 mths: 6 ; 1 year: 6⅝. $ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US $ CDs and SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Dec 16	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	5⅜ - 5¼	5⅜ - 5¼	5 9/16 - 5 7/16	5 9/16 - 5 7/16	6⅛ - 5⅞	6 7/16 - 6 5/16
Danish Krone	5¼ - 5	5⅞ - 5⅜	5¾ - 5½	6⅛ - 5⅞	6½ - 6¼	7⅛ - 6⅞
D-Mark	5 5/16 - 4 15/16	5 5/16 - 4 15/16	5 9/16 - 5 7/16	5 7/16 - 5⅜	5 13/16 - 5 11/16	5⅞ - 5¾
Dutch Guilder	5¼ - 5⅛	5¼ - 5⅛	5⅝ - 5½	5⅝ - 5½	5¾ - 5⅝	6 1/16 - 6
French Franc	5⅜ - 5¼	5 7/16 - 5 5/16	5¾ - 5⅝	6⅛ - 6	6 7/16 - 6 5/16	6⅞ - 6¾
Portuguese Esc.	8¾ - 8½	9⅛ - 8⅞	10⅝ - 10⅜	11 - 10¾	11⅛ - 10⅞	11½ - 11
Spanish Peseta	7 9/16 - 7 7/16	7 13/16 - 7 11/16	8⅛ - 7⅞	8 5/16 - 8⅛	8 11/16 - 8 9/16	9 5/16 - 9 3/16
Sterling	5½ - 5¼	5⅜ - 5¼	5 13/16 - 5 11/16	6⅜ - 6¼	6 13/16 - 6 11/16	7 13/16 - 7⅝
Swiss Franc	3¼ - 3⅛	3⅜ - 3¼	4 - 3⅞	4 5/16 - 4 3/16	4 9/16 - 4 7/16	4 15/16 - 4 13/16
Can. Dollar	5 7/16 - 5¼	5⅝ - 5 7/16	6 - 5⅞	6⅞ - 6¾	7 9/16 - 7 7/16	8 5/16 - 8 3/16
US Dollar	5½ - 5⅜	5⅝ - 5½	6⅛ - 6	6 5/16 - 6 3/16	6 13/16 - 6 11/16	7 5/16 - 7 3/16
Italian Lira	9 - 7½	8⅜ - 8¼	8⅞ - 8¾	9¼ - 9⅛	9 13/16 - 9 11/16	10½ - 10⅜
Yen	2 5/16 - 2 3/16	2 5/16 - 2¼	2⅜ - 2¼	2⅜ - 2¼	2½ - 2 7/16	2 11/16 - 2 9/16
Asian $Sing	3⅞ - 3⅝	4⅜ - 4¼	4 7/16 - 4 5/16	4 9/16 - 4 7/16	4 11/16 - 4 9/16	4 15/16 - 4 13/16

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES (MATIF) Paris interbank offered rate**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	93.91	93.99	+0.12	94.05	93.91	14,680	27,325
Mar	93.43	93.50	+0.11	93.56	93.43	35,771	55,295
Jun	93.07	93.13	+0.09	93.18	93.05	21,093	39,142
Sep	92.86	92.90	+0.07	92.95	92.85	4,684	27,978

■ **THREE MONTH EURODOLLAR (LIFFE)* $1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	93.69	93.68	-	93.69	93.69	100	n/a
Mar		92.80	-0.01			0	n/a
Jun		92.18	-0.02			0	n/a0
Sep		91.90	-0.01			0	n/a0

■ **THREE MONTH EUROMARK FUTURES (LIFFE)* DM1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	94.54	94.53	+0.03	94.55	94.51	10351	n/a
Mar	94.39	94.41	+0.05	94.45	94.38	25426	n/a
Jun	94.08	94.08	+0.03	94.13	94.06	21786	n/a
Sep	93.76	93.76	+0.03	93.80	93.75	8505	n/a

■ **THREE MONTH EUROLIRA INT.RATE FUTURES (LIFFE) L1000m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	90.95	90.89	+0.09	90.95	90.86	3580	n/a
Mar	89.95	89.95	+0.02	90.06	89.92	8066	n/a
Jun	89.62	89.55	-0.01	89.67	89.53	2952	n/a
Sep	89.41	89.34	-0.01	89.44	89.32	2424	n/a

■ **THREE MONTH EURO SWISS FRANC FUTURES (LIFFE) SFr1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	95.77	95.71	-0.01	95.77	95.67	769	n/a
Mar	95.41	95.41	-	95.46	95.41	3049	n/a
Jun	95.14	95.11	-0.02	95.15	95.10	81	n/a
Sep	94.93	94.90	-0.01	94.95	94.93	85	n/a

■ **THREE MONTH ECU FUTURES (LIFFE) Ecu1m points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	93.69	93.67	+0.02	93.71	93.67	1099	n/a
Mar	93.38	93.39	+0.05	93.44	93.38	1468	n/a
Jun	93.03	93.01	+0.03	93.05	93.01	751	n/a
Sep	92.66	92.63	+0.01	92.69	92.60	220	n/a

* LIFFE futures traded on APT

■ **THREE MONTH EURODOLLAR (IMM) $1m points of 100%**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	93.69	93.70	+0.02	93.70	93.68	55,053	288,164
Mar	92.84	92.87	+0.04	92.87	92.82	171,437	485,417
Jun	92.25	92.27	+0.04	92.28	92.22	164,839	355,462

■ **US TREASURY BILL FUTURES (IMM) $1m per 100%**

Mar	93.45	93.47	+0.05	93.47	93.44	2,722	17,480
Jun	92.86	92.88	+0.03	92.88	92.86	1,394	3,760
Sep	-	92.55	-	-	-	58	926

All Open interest figs. are for previous day

■ **EUROMARK OPTIONS (LIFFE) DM1m points of 100%**

Strike Price	CALLS Dec	Jan	Feb	Mar	PUTS Dec	Jan	Feb	Mar
9450	0.04	0.08	0.11	0.14	0.01	0.17	0.20	0.23
9475	0	0.02	0.04	0.06	0.22	0.36	0.39	0.40
9500	0	0.01	0.01	0.02	0.47	0.60	0.60	0.61

Est. vol. total, Calls 3364 Puts 1689. Previous day's open int., Calls n/a Puts n/a

■ **EURO SWISS FRANC OPTIONS (LIFFE) SFr 1m points of 100%**

Strike Price	CALLS Dec	Mar	Jun	PUTS Dec	Mar	Jun
9550	0.21	0.15	0.12	0	0.24	0.51
9575	0.01	0.07	0.06	0.05	0.41	0.70
9600	0	0.03	0.03	0.29	0.62	0.92

Est. vol. total, Calls 0 Puts 0. Previous day's open int., Calls n/a Puts n/a

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Dec 16		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	19.06	16.77	4.867	2.013	5067	5.446	21.22	499.4	408.6	23.35	4.114	1.982	4.298	3.098	310.1	2.553
Denmark	(DKr)	52.40	10	8.788	2.550	1.055	2655	2.854	11.12	261.7	214.1	12.23	2.156	1.038	2.252	1.623	162.5	1.337
France	(FFr)	59.62	11.38	10	2.902	1.201	3021	3.247	12.66	297.8	243.6	13.92	2.453	1.182	2.563	1.847	184.9	1.522
Germany	(DM)	20.55	3.921	3.446	1	0.414	1041	1.119	4.361	102.6	83.96	4.796	0.845	0.407	0.883	0.636	63.72	0.524
Ireland	(I£)	49.67	9.478	8.330	2.417	1	2517	2.705	10.54	248.0	203.0	11.59	2.043	0.984	2.135	1.538	154.0	1.268
Italy	(L)	1.973	0.377	0.331	0.096	0.040	100.	0.107	0.419	9.855	8.064	0.461	0.081	0.039	0.085	0.061	6.120	0.050
Netherlands	(Fl)	18.35	3.504	3.060	0.894	0.370	930.5	1	3.897	91.70	75.04	4.287	0.755	0.364	0.789	0.569	56.95	0.469
Norway	(NKr)	47.11	8.992	7.902	2.293	0.949	2387	2.566	10	235.3	192.5	11.00	1.938	0.934	2.025	1.459	146.1	1.203
Portugal	(Es)	20.02	3.821	3.358	0.975	0.403	1015	1.090	4.250	100.	81.83	4.675	0.824	0.397	0.861	0.620	62.10	0.511
Spain	(Pta)	24.47	4.670	4.104	1.191	0.493	1240	1.333	5.194	122.2	100.	5.713	1.007	0.485	1.052	0.758	75.90	0.625
Sweden	(SKr)	42.84	8.175	7.184	2.085	0.862	2171	2.333	9.092	213.9	175.0	10	1.762	0.849	1.841	1.327	132.9	1.093
Switzerland	(SFr)	24.31	4.639	4.077	1.183	0.489	1232	1.324	5.159	121.4	99.33	5.674	1	0.482	1.045	0.753	75.39	0.620
UK	(£)	50.46	9.630	8.463	2.456	1.016	2557	2.748	10.71	252.0	206.2	11.78	2.076	1	2.169	1.563	156.5	1.288
Canada	(C$)	23.26	4.440	3.902	1.132	0.468	1179	1.267	4.938	116.2	95.07	5.431	0.957	0.461	1	0.721	72.15	0.594
US	($)	32.28	6.161	5.415	1.571	0.650	1636	1.758	6.852	161.2	131.9	7.537	1.328	0.640	1.388	1	100.1	0.824
Japan	(Y)	32.24	6.153	5.408	1.569	0.649	1634	1.756	6.843	161.0	131.8	7.527	1.327	0.639	1.386	0.999	100.	0.823
Ecu		39.18	7.477	6.571	1.907	0.789	1985	2.134	8.315	195.7	160.1	9.146	1.612	0.776	1.684	1.214	121.5	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10; Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

EMS EUROPEAN CURRENCY UNIT RATES

Dec 16	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Netherlands	2.19672	2.13989	+0.00025	-2.59	6.79	-
Belgium	40.2123	39.2950	-0.0073	-2.28	6.46	17
Ireland	0.808628	0.790943	-0.000441	-2.19	6.36	15
Germany	1.94964	1.91107	+0.0002	-1.98	6.13	-
Denmark	7.43679	7.49285	+0.00436	0.75	3.25	-5
France	6.53883	6.58901	+0.00003	0.77	3.24	-6
Portugal	192.854	196.265	+0.133	1.77	2.22	-12
Spain	154.250	160.465	-0.245	4.03	0.00	-28
NON ERM MEMBERS						
Greece	264.513	295.322	+0.037	11.65	-6.82	-
Italy	1793.19	1990.77	+5.26	11.02	-6.30	-
UK	0.786749	0.778192	-0.001267	-1.09	5.17	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **D-MARK FUTURES (IMM) DM 125,000 per DM**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	0.6370	0.6367	+0.0001	0.6370	0.6362	7,263	48,257
Mar	0.6374	0.6379	+0.0003	0.6381	0.6370	18,206	68,688
Jun	0.6403	0.6403	+0.0001	0.6403	0.6403	42	1,681

■ **JAPANESE YEN FUTURES (IMM) Yen 12.5 per Yen 100**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	0.9970	0.9980	+0.0015	0.9980	0.9970	8,602	32,267
Mar	1.0057	1.0071	+0.0014	1.0072	1.0057	14,743	87,796
Jun	1.0197	1.0193	+0.0010	1.0193	1.0193	19	2,258

■ **PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per pound)**

Strike Price	CALLS Dec	Jan	Feb	PUTS Dec	Jan	Feb
1.500	6.17	6.18	6.35	-	-	0.18
1.525	3.67	3.84	4.24	-	0.12	0.55
1.550	1.22	1.91	2.51	-	0.64	1.29
1.575	-	0.67	1.33	1.18	1.88	2.54
1.600	-	0.15	0.60	3.62	3.80	4.23
1.625	-	-	0.22	6.12	6.13	6.33

Previous day's vol., Calls 12,726 Puts 4,695 . Prev. day's open int., Calls 415,087 Puts 376,449

■ **SWISS FRANC FUTURES (IMM) SFr 125,000 per SFr**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	0.7522	0.7529	-0.0007	0.7529	0.7522	3,602	30,995
Mar	0.7565	0.7562	-0.0007	0.7570	0.7552	9,791	35,916
Jun	0.7606	0.7605	-	0.7606	0.7605	6	464

■ **STERLING FUTURES (IMM) £62,500 per £**

	Open	Latest	Change	High	Low	Est. vol	Open int.
Dec	1.5622	1.5634	+0.0006	1.5634	1.5622	2,970	27,594
Mar	1.5618	1.5634	+0.0008	1.5638	1.5618	6,825	45,676
Jun	-	1.5630	-	1.5630	-	28	174

UK INTEREST RATES

LONDON MONEY RATES

Dec 16	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	5⅞ - 3¾	5¼ - 5⅛	6 - 5⅞	6⅜ - 6¼	6 15/16 - 6 13/16	7¾ - 7⅝
Sterling CDs	-	-	6 - 5⅞	6 5/16 - 6 3/16	6⅞ - 6¾	7⅝ - 7½
Treasury Bills	-	-	5 15/16 - 5⅞	6⅛ - 6	-	-
Bank Bills	-	-	5 15/16 - 5⅞	6 5/16 - 6 3/16	6¾ - 6⅝	-
Local authority deps.	6 1/16 - 5 15/16	5⅞ - 5¾	6⅛ - 6	6 7/16 - 6 5/16	7 - 6⅞	7 13/16 - 7 11/16
Discount Market deps	6½ - 4¼	5 15/16 - 5 13/16	-	-	-	-

UK clearing bank base lending rate 6¼ per cent from December 7, 1994

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	1½	4	3¾	3¾	3½

Certs of Tax dep. under £100,000 is 1½pc. Deposits withdrawn for cash ½pc. Ave. tender rate of discount 5.8351pc. ECGD fixed rate Stlg. Export Finance. Make up day Nov 30, 1994. Agreed rate for period Dec 26, 1994 to Jan 24, 1994, Schemes II & III 7.38pc. Reference rate for period Nov 1, 1994 to Nov 30, 1994, Schemes IV & V 6.107pc. Finance House Base Rate 6½pc from Dec 1, 1994

■ **THREE MONTH STERLING FUTURES (LIFFE) £500,000 points of 100%**

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	93.55	93.56	+0.02	93.58	93.55	6658	n/a
Mar	92.63	92.60	-	92.66	92.60	10535	n/a
Jun	92.00	91.96	-	92.01	91.95	2284	n/a
Sep	91.57	91.51	-0.01	91.57	91.50	2091	n/a

Traded on APT. All Open interest figs. are for previous day.
Due to technical problems at LIFFE all Open Int. figures are unavailable.

■ **SHORT STERLING OPTIONS (LIFFE) £500,000 points of 100%**

Strike Price	CALLS Dec	Mar	Jun	PUTS Dec	Mar	Jun
9350	0.08	0.02	0.03	0.02	0.92	1.57
9375	0	0	0.01	0.19	1.15	1.80
9400	0	0	0.01	0.44	1.40	2.05

Est. vol. total, Calls 8325 Puts 2992. Previous day's open int., Calls n/a Puts n/a

BASE LENDING RATES

	%		%		%
Adam & Company	6.25	Duncan Lawrie	6.25	* Roxburghe Guarantee Corporation Limited is no longer authorised as a banking institution.	8
Allied Trust Bank	6.25	Exeter Bank Limited	7.25	Royal Bk of Scotland	6.25
AIB Bank	6.25	Financial & Gen Bank	6.5	●Smith & Williamson Secs.	6.25
●Henry Ansbacher	6.25	●Robert Fleming & Co	6.25	TSB	6.25
Bank of Baroda	6.25	Girobank	6.25	●United Bk of Kuwait	6.25
Banco Bilbao Vizcaya	6.25	●Guinness Mahon	6.25	Unity Trust Bank Plc	6.25
Bank of Cyprus	6.25	Habib Bank AG Zurich	6.25	Western Trust	6.25
Bank of Ireland	6.25	●Hambros Bank	6.25	Whiteaway Laidlaw	6.25
Bank of India	6.25	Heritable & Gen Inv Bk.	6.25	Yorkshire Bank	6.25
Bank of Scotland	6.25	●Hill Samuel	6.25		
Barclays Bank	6.25	C. Hoare & Co	6.25		
Brit Bk of Mid East	6.25	Hongkong & Shanghai	6.25		
●Brown Shipley & Co Ltd	6.25	Julian Hodge Bank	6.25		
CL Bank Nederland	6.25	●Leopold Joseph & Sons	6.25		
Citibank NA	6.25	Lloyds Bank	6.25		
Clydesdale Bank	6.25	Meghraj Bank Ltd	6.25		
The Co-operative Bank	6.25	Midland Bank	6.25		
Coutts & Co	6.25	* Mount Banking	6.25		
Credit Lyonnais	6.25	NatWestminster	6.25		
Cyprus Popular Bank	6.25	●Rea Brothers	6.25		

● Members of London Investment Banking Association
* In administration

■ **OTHER CURRENCIES**

Dec 16	£	$
Hungary	176.312 - 176.581	112.840 - 112.940
Iran	2729.00 - 2732.08	1746.00 - 1750.00
Kuwait	0.4684 - 0.4695	0.2998 - 0.3003
Poland	38000.0 - 38063.4	24320.0 - 24345.0
Russia	5315.76 - 5320.45	3401.00 - 3404.00
U.A.E.	5.7384 - 5.7429	3.6726 - 3.6731

FT GUIDE to WORLD CURRENCIES

The FT Guide to World Currencies table can be found on the Companies & Finance page in Monday's paper.

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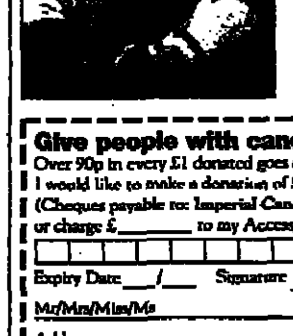

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COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Copper falters at 5-year high

The London Metal Exchange copper market yesterday tried the air above the $3,000-a-tonne mark and found it a little too thin.

A strong recovery following a severe shake-out early in the week carried the three months delivery price to a 5¼-year high of $3,005 in the morning; but by the close it had been pared back to $2,985.50 up $6 on the day and $48 on the week. That price was $107.50 above the low reached on Tuesday.

An important factor in the market's renewed strength was concern about nearby supply tightness, which also resulted in a widening in the "backwardation" – the premium for immediate delivery – against the three months price to $80 at one point from $50 at Tuesday's close. Traders said there was nervousness in the market ahead of next week's "third Wednesday" option declarations.

In spite of yesterday afternoon's retracement most dealers remained confident that a decisive break above $3,000 would come soon.

"Copper's fundamentals are strong and a 3.6 per cent growth in 1995 western consumption is forecast to cut stocks to five weeks supply by the end of the year," said the Economist Intelligence Unit in its monthly World Commodity Forecasts, published yesterday. It said that pointed to a 26 per cent rise in the year's average price compared with the 1994 average.

The EIU report was also bullish about the outlook for the other five base metals traded at the LME.

It forecast that falls in western world production of aluminium and in imports from the former eastern bloc, plus a further "healthy" rise in consumption, would lead to a 19 per cent increase in the price average for that metal.

This week aluminium, like the other metals, shadowed movements in the copper market. It bottomed on Tuesday at $1,815 a tonne, for three months delivery, but yesterday touched $1,940, before closing at $1,923.50 a tonne, up $46 on the week.

Nickel prices were again highly volatile. After losing $835 in the early sell-off the three months contract closed yesterday at $8,687.50 a tonne, down $177.50 on the week. The EIU report forecast that nickel's average value in 1995 would be 22 per cent ahead of this year's as Russian exports dropped for the fourth year in succession and western consumption grew.

The London Commodity Exchange robusta coffee market yesterday repaired some of the damage sustained in mid-week, when heavy selling wiped about $350-a-tonne off nearby futures prices. The March position rose by $127 on the day to close at $2,635 a tonne, still $168 down on the week.

The selling on Tuesday and Wednesday had been largely technically driven. It was also influenced, however, by a report from German statistics agency F.O. Licht putting world production in 1994-95 at 92.3m bags (60kg each), up from 91.1m in 1993-94, and consumption at 93.4m, down from 95.9m.

Market sentiments had already been weakened by a US Department of Agriculture report last week that showed world coffee stocks were higher than the market thought.

Technical factors were partly responsible for a £40-a-tonne jump in LCE cocoa values on Thursday. "Short-covering has been the main dynamism but there was also a strong technical motivation," one trader told the Reuters news agency.

Richard Mooney

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	–28,850	to 1,751,600
Aluminium alloy	+400	to 29,800
Copper	–3,525	to 299,875
Lead	–3,250	to 351,300
Nickel	–222	to 149,166
Zinc	–4,200	to 1,190,250
Tin	+70	to 28,760

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	1994 High	1994 Low
Gold per troy oz.	$380.80	+3.20	$386.20	$396.50	$369.50
Silver per troy oz	308.50p	+9.15	341.35p	384.50p	308.50p
Aluminium 99.7% (cash)	$1893.0	+43.5	$1094	$1966.0	$1107.50
Copper Grade A (cash)	$3055.0	+57.5	$1724	$3055.0	$1731.50
Lead (cash)	$639.5	+1.5	$467.5	$675.0	$426.0
Nickel (cash)	$8545.0	-185	$5285	$8830.0	$5210.0
Zinc SHG (cash)	$1111.0	-14	$969	$1166.5	$900.5
Tin (cash)	$5955.0	-30	$4797.5	$6270.0	$4730.0
Cocoa Futures Mar	£970	+23	£966	£1124	£859
Coffee Futures Jan	$2638	+165	$933	$4091	$1175
Sugar (LDP Raw)	$364.7	+15.2	$272.9	$357.7	$252.9
Barley Futures Mar	£105.75	-0.25	£104.75	£106.00	£92.65
Wheat Futures Mar	£107.80	+0.25	£99.30	£117.50	£97.80
Cotton Outlook A Index	87.90c	+1.45	60.15c	87.90c	62.45c
Wool (64s Super)	470p	+8.0	341p	485p	342p
Oil (Brent Blend)	$15.805z		$13.61	$18.61	$13.16

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. z Feb

BASE METALS

LONDON METAL EXCHANGE
(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1892.5-3.5	1923-4
Previous	1871-3	1903-5
High/low	1905	1943/1910
AM Official	1902.5-3.5	1934.5-5.0
Kerb close		1918-20
Open int.	253,787	
Total daily turnover	61,532	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1820-30	1860-70
Previous	1825-35	1865-75
High/low		1880/1860
AM Official	1835-45	1875-85
Kerb close		1860-70
Open int.	2,937	
Total daily turnover	727	

■ LEAD ($ per tonne)

Close	639-40	657-8
Previous	634.5-5.5	653-4
High/low	647/646.5	664/652
AM Official	646.5-7.0	663-3.5
Kerb close		657-8
Open int.	45,207	
Total daily turnover	2,681	

■ NICKEL ($ per tonne)

Close	8540-50	8685-90
Previous	8605-15	8755-60
High/low	8600	8850/8620
AM Official	8600-10	8750-60
Kerb close		8690-700
Open int.	67,421	
Total daily turnover	10,604	

■ TIN ($ per tonne)

Close	5950-60	6050-60
Previous	5890-900	5995-6000
High/low	5945	6090/6030
AM Official	5945-50	6045-50
Kerb close		6020-30
Open int.	22,838	
Total daily turnover	4,312	

■ ZINC, special high grade ($ per tonne)

Close	1110.5-11.5	1138-9
Previous	1117-8	1144-5
High/low		1145/1128
AM Official	1113-15	1141-2
Kerb close		1138-9
Open int.	107,021	
Total daily turnover	19,261	

■ COPPER, grade A ($ per tonne)

Close	3054-6	2985-6
Previous	3038-40	2979-80
High/low	3067/3063	3005/2965
AM Official	3067-8	3002-3
Kerb close		2980-3
Open int.	235,582	
Total daily turnover	74,759	

■ LME AM Official £/$ rate: 1.5626
LME Closing £/$ rate: 1.5631

Spot:1.5630 3 mths:1.5630 6 mths:1.5625 9 mths:1.5620

■ HIGH GRADE COPPER (COMEX)

	Close	Day's change	High	Low	Open int	Vol
Dec	138.85	-0.05	140.00	138.60	4,171	1,131
Jan	138.75	-0.10	138.80	138.50	1,928	305
Feb	137.20	-0.30	137.60	137.50	761	8
Mar	135.85	-0.30	136.80	135.30	29,826	10,281
Apr	132.10	-0.55	132.50	132.50	759	85
May	129.45	-0.25	130.00	129.15	3,878	557
Total					51,460	13,808

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (Troy oz.)	$ price	£ equiv.
Close	380.60-381.00	
Opening	379.80-380.20	
Morning fix	379.70	242.899
Afternoon fix	380.35	243.268
Day's High	381.20-381.50	
Day's Low	379.50-379.90	
Previous close	379.70-380.00	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month ....4.84 6 months 5.72
2 months ....4.98 12 months 6.40
3 months 5.22

Silver Fix	p/troy oz.	US cts equiv.
Spot	308.50	482.25
3 months	312.95	489.20
6 months	318.10	497.25
1 year	329.75	515.00

Gold Coins	$ price	£ equiv.
Krugerrand	380-383	243-246
Maple Leaf	391.00-393.50	-
New Sovereign	88-91	56-59

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Open int	Vol.
Dec	378.6	-1.6	380.5	379.0	149	83
Jan	379.4	-1.6	-	-	1	-
Feb	381.1	-1.6	383.8	380.7	91,224	15,809
Apr	385.1	-1.6	387.5	384.5	13,382	363
Jun	389.3	-1.6	391.8	389.0	21,510	155
Aug	393.8	-1.6	-	-	12,009	87
Total					179,236	17,577

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

Jan	412.5	+0.8	416.0	412.0	10,655	4,309
Apr	415.5	+0.1	418.0	415.0	14,067	1,208
Jul	420.0	+0.1	422.0	420.0	2,001	61
Oct	424.7	+0.1	-	-	822	2
Jan	428.4	+0.1	-	-	114	-
Total					27,859	5,578

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

Dec	154.00	+0.55	154.50	154.50	19	1
Mar	155.75	+0.55	155.80	155.00	5,808	356
Jun	157.00	+0.55	157.00	157.00	783	38
Sep	158.25	+0.55	-	-	129	1
Dec	159.25	+0.55	-	-	11	-
Total					6,750	396

■ SILVER COMEX (100 Troy oz.; Cents/troy oz.)

Dec	477.2	-1.6	481.0	477.0	89	30
Jan	477.3	-1.7	-	-	79	-
Feb	480.0	-1.7	-	-	2	-
Mar	483.0	-1.7	487.5	482.5	74,276	16,160
May	488.0	-1.7	493.0	488.0	10,841	1,435
Jul	495.4	-1.7	499.5	497.0	7,450	93
Total					133,333	18,048

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	16.82	+0.09	16.85	16.48	49,416	29,111
Feb	16.92	+0.09	17.00	16.58	95,173	35,499
Mar	17.03	+0.07	17.09	16.73	54,042	8,827
Apr	17.15	+0.07	17.15	16.86	21,214	5,586
May	17.28	+0.11	17.28	16.95	12,447	2,896
Jun	17.27	+0.02	17.27	17.10	27,559	3,098
Total					498,180	85,746

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Open int	Vol
Feb	15.91	+0.13	15.96	15.60	30,589	13,366
Mar	15.93	+0.12	15.98	15.66	94,852	31,365
Apr	15.94	+0.07	15.95	15.72	23,885	5,181
May	15.94	+0.05	15.94	15.78	12,549	2,758
Jun	15.85	-0.07	15.89	15.80	7,251	315
Jul	16.04	+0.12	16.04	15.84	7,656	1,500
Total					158,890	54,783

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	48.55	-0.23	48.82	47.90	31,010	15,162
Feb	48.90	-0.17	49.00	48.35	40,480	8,211
Mar	48.90	-0.15	48.95	48.45	22,456	3,783
Apr	48.45	-0.10	48.45	48.15	13,611	709
May	48.05	-0.05	48.15	47.75	8,130	399
Jun	47.70	-	-	-	6,950	136
Total					146,864	28,879

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	142.00	-1.00	142.75	140.75	41,607	6,736
Feb	144.25	-1.00	144.75	143.00	22,902	3,131
Mar	146.25	-1.25	146.50	144.75	13,034	1,846
Apr	146.75	-0.75	146.75	146.00	4,837	915
May	147.50	-0.75	147.50	146.75	1,651	86
Jun	148.00	-0.50	148.00	147.00	7,081	833
Total					96,840	14,837

■ NATURAL GAS NYMEX (10,000 mmBtu; $/mmBtu.)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	1.700	-0.018	1.730	1.690	22,254	9,721
Feb	1.700	-0.021	1.735	1.691	22,747	8,286
Mar	1.695	-0.025	1.725	1.684	16,129	2,670
Apr	1.675	-0.015	1.695	1.670	9,390	1,194
May	1.670	-0.020	1.695	1.670	9,587	505
Jun	1.680	-0.010	1.700	1.690	7,334	513
Total					141,488	24,277

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Open int	Vol
Jan	51.69	+0.06	51.90	50.10	19,146	12,780
Feb	50.85	-0.10	51.00	49.80	18,207	4,533
Mar	51.10	-0.19	51.10	50.10	8,491	2,085
Apr	53.70	-0.49	53.70	53.00	9,989	1,078
May	53.20	-0.44	53.25	52.30	5,370	908
Jun	52.40	-1.34	52.40	52.40	1,369	393
Total					66,519	22,305

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Jan	106.65	-0.90	107.00	106.70	1,949	49
Mar	107.80	-0.95	108.45	108.00	1,709	97
May	109.80	-0.80	110.25	110.00	1,788	53
Jul	111.65	-0.20	111.10	111.10	277	1
Sep	96.85	-0.60	-	-	80	-
Nov	97.60	-0.70	97.75	97.30	1,045	-
Total					6,135	289

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

Dec	379/4	+7/4	379/4	371/0	791	993
Mar	383/2	+7/2	393/4	385/0	44,320	16,156
May	376/2	+6/6	376/4	369/4	7,232	1,169
Jul	346/2	+6/4	348/6	340/4	14,118	1,572
Sep	351/4	+5/2	351/4	345/4	735	16
Dec	361/2	+6/4	361/2	358/0	277	19
Total					67,486	13,868

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

Dec	218/2	+1/6	218/4	217/0	2,450	802
Mar	229/4	+1/6	229/6	228/0	113,677	19,078
May	236/6	+2/0	237/0	234/6	44,488	1,862
Jul	240/4	+1/4	240/6	239/2	45,250	1,822
Sep	244/2	+1/6	244/4	243/0	5,097	72
Dec	247/6	+1/4	248/0	246/2	28,750	751
Total					243,753	24,593

■ BARLEY LCE (£ per tonne)

Jan	103.75	-	103.75	103.75	368	5
Mar	105.75	-	105.75	105.75	193	5
May	107.50	-0.15	-	-	62	-
Sep	98.25	-0.25	-	-	30	-
Nov	97.50	-0.15	-	-	67	-
Jan	99.25	-	-	-	-	-
Total					728	10

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

Jan	566/2	+3/4	569/0	562/2	41,618	12,132
Mar	576/2	+3/0	579/0	572/6	34,553	5,066
May	585/6	+3/6	587/0	581/4	18,775	1,254
Jul	592/2	+3/0	593/0	586/4	25,953	1,821
Aug	593/0	+2/6	595/0	590/4	2,298	68
Sep	593/0	+2/4	596/0	591/0	1,237	8
Total					137,812	20,978

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

Dec	28.45	+0.34	29.47	29.05	6,909	2,201
Jan	28.00	+0.27	28.03	27.65	33,408	6,236
Mar	27.14	+0.31	27.16	26.78	28,277	3,895
May	26.29	+0.27	26.32	26.00	16,632	784
Jul	25.79	+0.32	25.85	25.50	11,227	809
Aug	25.45	+0.30	25.46	25.39	2,324	234
Total					112,392	14,482

■ SOYABEAN MEAL CBT (100 tons; $/ton)

Dec	158.7	+0.5	157.6	156.2	1,818	2,300
Jan	157.5	+0.2	159.1	157.4	26,624	5,087
Mar	161.2	+0.4	163.0	160.9	30,009	2,478
May	165.2	+0.3	167.0	165.0	14,907	596
Jul	169.7	+0.5	171.2	169.4	12,530	548
Aug	172.0	+0.7	173.2	171.6	3,208	27
Total					98,495	11,329

■ POTATOES LCE (£/tonne)

Mar	281.3	-	-	-	-	-
Apr	278.8	-0.3	280.0	277.5	1,365	60
May	299.5	+1.0	-	-	2	-
Jun	250.0	-	-	-	-	-
Total					1,367	60

■ FREIGHT (BIFFEX) LCE ($10/index point)

Dec	2013	+8	-	-	349	-
Jan	1895	+37	1895	1850	1,054	34
Feb	1845	+18	1845	1830	193	34
Apr	1765	+40	1773	1740	1,561	23
Jul	1557	-21	1560	1545	235	48
Oct	1650	+5	-	-	106	-
Total					3,498	139

	Close	Prev
BFI	2014	2034

Spices
In general the market remained on the quiet side this week, which is not unusual for the time of year, reports Man Producten. Buyers of black pepper were very scarce. On the other hand the selling pressure from most producing countries disappeared and prices more or less stabilised at about US$2,400 a tonne for spot black, faq. White pepper prices tended firmer, however, reaching about $3550 a tonne, cif, for December/January shipment. Buying interest for second and third quarter 1995 deliveries made whites more expensive. As China and Sarawak can not sell large quantities until the new crop starts to arrive in July all white pepper demand has to be covered in Indonesia where stocks are already unusually low.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	965	-4	981	966	3,484	31
Mar	970	-3	975	963	44,978	2,358
May	984	-4	972	961	17,447	827
Jul	971	-5	981	970	7,514	144
Sep	982	-2	990	980	12,946	993
Dec	990	-6	995	994	12,150	25
Total					109,001	4,196

■ COCOA CSCE (10 tonnes; $/tonnes)

Mar	1305	+9	1315	1284	37,778	11,679
May	1315	+12	1326	1298	12,228	1,744
Jul	1335	+12	1345	1315	6,138	870
Sep	1360	+12	1360	1333	2,141	108
Dec	1381	+12	1385	1358	4,712	101
Mar	1411	+12	-	-	7,005	-
Total					76,464	14,595

■ COCOA (ICCO) (SDR's/tonne)

Dec 15	Price	Prev. day
Daily	975.87	946.00

■ COFFEE LCE ($/tonne)

Jan	2688	+131	2678	2585	7,766	991
Mar	2638	+130	2655	2540	10,581	3,150
May	2623	+145	2620	2519	5,149	683
Jul	2596	+133	2580	2510	2,069	71
Sep	2580	+132	2525	2510	2,700	40
Nov	2578	+123	2520	2505	429	82
Total					28,866	5,017

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

Dec	158.50	+0.75	159.00	152.50	42	10
Mar	158.55	+8.15	161.60	152.70	17,298	4,623
May	159.90	+7.60	161.30	154.30	6,415	1,523
Jul	160.60	+7.35	162.15	155.80	2,795	727
Sep	160.35	+6.45	162.60	156.25	2,165	608
Dec	160.20	+7.05	162.15	156.20	1,728	117
Total					30,788	7,609

■ COFFEE (ICO) (US cents/pound)

Dec 15	Price	Prev. day
Comp. daily	136.58	133.63
15 day average	148.95	150.43

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

Jan	13.00	-	-	-	-	-
Mar	15.27	+0.42	-	-	370	-
May	15.45	+0.50	-	-	860	-
Jul	15.15	+0.60	-	-	300	-
Total					1,530	-

■ WHITE SUGAR LCE ($/tonne)

Mar	413.00	-8.50	416.70	407.90	12,982	835
May	405.80	+2.50	410.00	402.00	5,400	386
Aug	395.00	+2.50	396.90	391.50	4,501	189
Oct	364.80	+1.80	368.40	360.90	1,694	32
Dec	358.30	+6.30	358.10	352.50	128	19
Mar	354.80	+4.80	356.60	351.40	223	7
Total					25,656	1,465

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

Mar	15.13	+0.12	15.38	14.92	97,139	17,968
May	15.16	+0.13	15.37	15.00	39,235	5,360
Jul	14.81	+0.11	15.00	14.72	23,881	2,440
Oct	13.85	+0.07	14.00	13.78	28,128	2,471
Mar	13.17	+0.07	13.20	13.05	8,384	946
May	12.98	+0.07	13.20	12.98	2,079	222
Total					199,333	29,584

■ COTTON NYCE (50,000lbs; cents/lbs)

Mar	83.17	-1.71	85.50	82.86	32,778	5,708
May	83.61	-1.52	86.20	83.25	11,835	2,052
Jul	83.17	-1.28	85.50	82.80	6,661	1,281
Oct	74.40	-0.68	75.30	74.36	1,341	357
Dec	71.75	-0.58	72.40	71.75	6,576	877
Mar	72.55	-0.60	-	-	84	1
Total					59,163	10,288

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Jan	114.65	+1.30	114.85	109.50	8,833	1,181
Mar	118.70	+1.55	118.80	112.50	8,764	847
May	121.70	+1.70	121.25	117.25	1,878	59
Jul	124.70	+1.85	124.00	122.50	939	44
Sep	127.70	+1.70	127.70	123.25	2,226	19
Nov	126.40	+1.15	126.00	123.00	1,808	120
Total					25,726	2,281

VOLUME DATA
Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME, CSCE and IPE Crude Oil are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Dec 16	Dec 15	month ago	year ago
2189.4	2165.2	2144.7	1669.0

■ CRB Futures (Base: 1967=100)

Dec 15	Dec 14	month ago	year ago
230.79	229.64	232.72	224.37

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett price	Day's change	High	Low	Open int	Vol
Dec	70.775	+0.200	70.880	70.575	3,365	1,914
Feb	70.800	+0.100	70.800	70.500	31,114	8,972
Apr	70.950	+0.225	71.100	70.725	20,433	2,598
Jun	66.925	+0.150	66.100	65.775	8,638	2,018
Aug	63.825	+0.150	64.100	63.700	2,948	482
Oct	64.800	+0.100	64.800	64.375	1,670	285
Total					68,429	16,399

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Dec	35.225	+0.500	35.225	34.300	1,106	1,271
Feb	38.075	-0.025	38.400	37.800	14,405	8,957
Apr	37.925	-0.200	38.825	37.625	8,639	3,336
Jun	43.350	-0.850	44.000	43.200	4,625	1,002
Aug	43.400	-0.300	44.000	43.100	1,471	892
Oct	41.700	-0.375	42.475	41.350	1,130	147
Total					32,811	15,484

■ PORK BELLIES CME (40,000lbs; cents/lbs)

Feb	39.050	-0.250	40.050	38.350	7,349	4,029
Mar	39.375	-0.225	40.300	38.750	1,561	478
May	40.300	-0.050	41.300	39.800	536	167
Jul	41.275	-0.175	42.000	40.675	517	132
Aug	39.825	-0.400	41.000	38.890	220	84
Feb	49.250	-0.875	50.300	49.250	11	5
Total					10,295	4,897

LONDON TRADED OPTIONS

Strike price $ tonne	Calls		Puts	
■ ALUMINIUM (99.7%) LME	Mar	Jun	Mar	Jun
1850	140	186	74	118
1900	114	164	96	139
1950	91	141	123	166
■ COPPER (Grade A) LME	Mar	Jun	Mar	Jun
2950	141	72	103	265
3000	116	60	126	300
3050	96	49	158	336
■ COFFEE LCE	Jan	Mar	Jan	Mar
2500	177	244	9	105
2550	136	215	18	127
2600	100	188	32	150
■ COCOA LCE	Mar	May	Mar	May
900	86	98	18	32
925	69	81	24	42
950	54	67	34	53
■ BRENT CRUDE IPE	Jan	Apr	Jan	Apr
1600	-	59	4	71
1650	-	40	-	100
1700	-	25	-	135

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Feb) +or-

Dubai	$15.05-5.15u	-0.005
Brent Blend (dated)	$15.42-5.46	-0.04
Brent Blend (Feb)	$15.80-5.81	-0.025
W.T.I. (1pm est)	$16.81-6.83u	-0.04

■ OIL PRODUCTS NWE prompt delivery CIF (tonne)

Premium Gasoline	$158-160	
Gas Oil	$140-143	
Heavy Fuel Oil	$97-99	
Naphtha	$162-165	-3.5
Jet fuel	$158-160	-3.0
Diesel	$147-148	

Petroleum Argus. Tel. London (071) 359 8792

■ OTHER

Gold (per troy oz)♣	$380.60	+0.95
Silver (per troy oz)♣	482.0c	+2.00
Platinum (per troy oz.)	$413.25	+4.00
Palladium (per troy oz.)	$152.75	+0.75
Copper (US prod.)	143.0c	+2.0
Lead (US prod.)	40.75c	
Tin (Kuala Lumpur)	15.05r	+0.29
Tin (New York)	278.5c	+1.0
Cattle (live weight)†	123.05p	+0.76*
Sheep (live weight)†♠	115.61p	-5.50*
Pigs (live weight)	84.91p	+2.16*
Lon. day sugar (raw)	$364.70	+9.00
Lon. day sugar (wte)	$414.00	+6.50
Tate & Lyle export	£348.00	+6.80
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	£132.0	
Wheat (US Dark North)	£165.0	
Rubber (Jan)▼	102.50p	+1.00
Rubber (Feb)▼	102.00p	+1.00
Rubber (KL RSS No1 Jul)	372.5m	+4.50
Coconut Oil (Phil)§	$680.0y	-7.5
Palm Oil (Malay.)§	$700.0z	-10
Copra (Phil)§	$444.0q	-5.0
Soyabeans (US)	£170.0z	
Cotton Outlook'A' Index	87.90c	+1.15
Wooltops (64s Super)	470p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. y Jan/Feb. v Nov/Dec. u Feb. z Jan. q Dec/Jan ▼ London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week ⊙ Prices are for previous day.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		6.500	09/04	92.4400	–0.750	10.24	10.33	10.69
Belgium		7.750	10/04	96.2000	+0.180	8.32	8.21	8.37
Canada *		9.000	12/04	99.6500	+0.350	9.05	9.05	9.21
Denmark		7.000	12/04	88.5000	+0.130	8.78	8.60	8.86
France	BTAN	8.000	05/98	101.0000	+0.050	7.61	7.27	7.47
	OAT	7.500	04/05	96.0000	+0.310	8.08	7.95	8.21
Germany Bund		7.500	11/04	99.8800	+0.040	7.51	7.36	7.54
Italy		8.500	08/04	80.7400	+0.030	11.91†	11.72	11.79
Japan	No 119	4.800	06/99	103.6400	-	3.88	3.85	4.07
	No 164	4.100	12/03	96.8150	–0.030	4.60	4.58	4.75
Netherlands		7.250	10/04	97.3600	+0.160	7.64	7.52	7.61
Spain		10.000	02/05	90.4000	+0.160	11.35	11.19	11.21
UK Gilts		6.000	08/99	90–19	–2/32	8.48	8.42	8.43
		8.750	11/04	88–14	–1/32	8.50	8.45	8.59
		9.000	10/08	104–05	–1/32	8.48	8.44	8.60
US Treasury *		7.875	11/04	100–15	–2/32	7.80	7.80	8.03
		7.500	11/24	95–29	+6/32	7.86	7.88	8.14
ECU (French Govt)		6.000	04/04	84.2800	+0.290	8.50	8.30	8.58

London closing. *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal. *Source: MMS International*

ECONOMIC DIARY – FORWARD EVENTS

TODAY: National savings results (November). Gulf foreign ministers meet in Bahrain. African National Congress holds triennial national congress in Bloemfontein.

TOMORROW: Parliamentary elections in Bulgaria.

MONDAY: Business enterprise research and development (1993). EU foreign ministers meeting in Brussels. Leaders of Gulf Arab states hold summit meeting in Bahrain (until December 21). Bundesbank releases monthly report (December).

TUESDAY: Cross border acquisitions and mergers (third quarter). Provisional estimates of M4 and counterparts (November). Building societies monthly figures (November). Major British banking groups' monthly statement (end-November). US merchandise trade (October). US Federal Open Market Committee meeting. Talks on Gibraltar in London between British and Spanish foreign ministers.

WEDNESDAY: Engineering sales and orders at current and constant prices (October). Institutional investment (third quarter). Balance of trade with countries outside the EU (November). International banking statistics (third quarter). British aid statistics annual publication. Deadline for Senate's approval of Italy's 1995 budget. Ministers from Pakistan, China, Kazakhstan and Krghystan sign agreement to open land trade route through the Karakoram highway.

THURSDAY: UK national accounts (third quarter). Motor vehicle production (November). United Kingdom balance of payments (third quarter). US gross domestic product (third quarter-final). Opposition parties plan mass rallies and demonstrations in Bangladesh's 64 administrative districts to press for elections under caretaker administration. Bundesbank council meets.

FRIDAY: Capital expenditure (third quarter-revised). Stocks and works in progress (third quarter-revised). US personal income and spending (November); durable goods (November). European institutions close for Christmas holidays (until January 2).

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US INTEREST RATES

Lunchtime

		Treasury Bills and Bond Yields			
		One month	5.48	Two year	7.53
Prime rate	8½	Two month	5.82	Three year	7.65
Broker loan rate	8½	Three month	5.68	Five year	7.73
Fed.funds	5⁷⁄₁₆	Six month	6.48	10-year	7.80
Fed.funds at intervention	-	One year	7.09	30-year	7.84

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Dec	111.88	112.10	+0.30	112.18	111.88	63,218	26,800
Mar	111.18	111.36	+0.26	111.44	111.16	93,534	127,319
Jun	110.48	110.64	+0.22	110.64	110.48	302	2,950

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	Calls Jan	Calls Mar	Calls Jun	Puts Jan	Puts Mar	Puts Jun
110	-	-	-	0.09	0.82	1.70
111	0.70	-	-	0.34	1.17	-
112	0.21	1.01	-	0.87	-	-
113	0.05	0.62	-	-	-	-
114	0.01	0.35	0.62	-	-	-

Est. vol. total, Calls 19,534 Puts 16,049. Previous day's open int., Calls 186,041 Puts 145,297.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	89.78	89.91	+0.17	90.09	89.76	52770	n/a
Jun	89.45	89.31	+0.19	89.45	89.45	32	n/a

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	Calls Jan	Calls Feb	Calls Mar	Calls Jun	Puts Jan	Puts Feb	Puts Mar	Puts Jun
8950	0.53	0.93	1.14	1.28	0.12	0.52	0.73	1.47
9000	0.22	0.66	0.87	1.06	0.31	0.75	0.96	1.75
9050	0.06	0.43	0.65	0.86	0.65	1.02	1.24	2.05

Est. vol. total, Calls 9132 Puts 5550. Previous day's open int., Calls n/a Puts n/a

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	99.70	99.41	-0.06	100.04	99.37	16072	n/a
Jun		98.71	-0.06			0	n/a

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
9900	1.96	2.40	1.55	2.69
9950	1.70	2.18	1.79	2.97
10000	1.45	1.96	2.04	3.25

Est. vol. total, Calls 493 Puts 526. Previous day's open int., Calls n/a Puts n/a

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Dec	86.49	86.56	+0.11	86.68	86.49	26,984	45,037
Mar	85.96	85.96	+0.11	86.10	85.96	10,484	30,387

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	103-04	102-27	-0-01	103-04	102-26	782	n/a
Mar	102-10	102-05	-0-01	102-18	102-00	21993	n/a
Jun		101-05	-0-01			0	n/a

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	Calls Mar	Calls Jun	Puts Mar	Puts Jun
102	1-34	2-02	1-24	2-56
103	1-03	1-40	1-57	3-30
104	0-43	1-19	2-33	4-09

Est. vol. total, Calls 3846 Puts 65. Previous day's open int., Calls n/a Puts n/a

Ecu

■ ECU BOND FUTURES (MATIF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Dec	81.32	81.44	+0.26	81.50	81.32	1,906	1,805

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Dec	99-26	100-04	-0-07	100-05	99-24	8,552	43,283
Mar	99-12	99-19	-0-08	99-19	99-05	220,052	357,183
Jun	98-27	99-04	-0-07	99-04	98-24	610	12,813

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	108.42			108.42	108.33	1286	n/a

* LIFFE contracts traded on APT. All Open Interest figs. are for previous day.
Due to technical problems at LIFFE all Open Int. figures are unavailable.

FT-ACTUARIES FIXED INTEREST INDICES

UK Gilts Price Indices	Fri Dec 16	Day's change %	Thur Dec 15	Accrued interest	xd adj yield
1 Up to 5 years (24)	119.56	+0.07	119.75	1.77	10.87
2 5-15 years (22)	140.27	+0.04	140.49	1.75	12.57
3 Over 15 years (8)	158.06	-0.08	158.20	2.80	12.05
4 Irredeemables (6)	180.18	+0.29	179.66	1.71	13.71
5 All stocks (60)	137.41	+0.03	137.60	1.91	12.02

Index-linked	Fri Dec 16	Day's change %	Thur Dec 15	Accrued interest	xd adj yield
6 Up to 5 years (2)	186.94	+0.02	186.90	1.07	5.07
7 Over 5 years (11)	173.73	+0.08	173.76	0.91	4.98
8 All stocks (13)	174.22	+0.07	174.24	0.92	4.97
9 Debs and loans (77)	129.69	-0.03	129.73	2.19	10.80

Yields	Low coupon yield Dec 16	Dec 15	Yr ago	High	Low	Medium coupon yield Dec 16	Dec 15	Yr ago	High	Low	High coupon yield Dec 16	Dec 15	Yr ago	High	Low
5 yrs	8.51	8.49	5.61	8.95 (20/9)	5.57 (19/1)	8.50	8.49	5.82	9.01 (20/9)	5.82 (19/1)	8.69	8.68	5.89	9.16 (20/9)	5.91 (19/1)
15 yrs	8.36	8.36	6.35	8.89 (20/9)	6.30 (20/1)	8.51	8.50	6.47	9.05 (20/9)	6.39 (20/1)	8.72	8.72	6.68	9.25 (20/9)	6.63 (20/1)
20 yrs	8.33	8.32	6.46	8.81 (20/9)	6.41 (20/1)	8.51	8.50	6.51	9.05 (20/9)	6.42 (20/1)	8.64	8.63	6.70	9.09 (20/9)	6.65 (20/1)
Irred.†	8.39	8.40	6.61	8.88 (20/9)	6.52 (24/1)										
Index-linked	Inflation rate 5%					Inflation rate 10%									
Up to 5 yrs	3.98	3.95	1.91	4.16 (13/12)	2.13 (4/1)	2.67	2.63	1.03	3.01 (11/11)	1.19 (18/2)					
over 5 yrs	3.86	3.86	2.93	3.99 (21/6)	2.88 (20/1)	3.66	3.65	2.74	3.79 (21/6)	2.70 (20/1)					
Debs & loans	5 years					15 years					25 years				
	9.46	9.47	7.23	10.07 (20/9)	7.19 (10/1)	9.42	9.41	7.54	9.98 (20/9)	7.39 (20/1)	9.37	9.36	7.66	9.90 (20/9)	7.49 (10/1)

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.

FT FIXED INTEREST INDICES

	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Yr ago	High*	Low*
Govt. Secs. (UK)	91.97	91.94	91.85	91.49	91.69	107.16	107.04	89.54
Fixed Interest	109.72	109.60	109.62	109.49	109.75	130.96	233.87	106.50

* for 1994. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

GILT EDGED ACTIVITY INDICES

	Dec 15	Dec 14	Dec 13	Dec 12	Dec 9
Gilt Edged bargains	101.6	114.1	100.6	106.1	90.7
5-day average	102.6	101.4	102.7	101.8	99.0

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or –	1994 High	1994 Low
Shorts" (Lives up to Five Years)						
Treas 12pc 1995	11.93	5.95	[illegible]	[illegible]	[illegible]	[illegible]
Exch 3pc Gas 1990-95	3.04	5.99	[illegible]	[illegible]	[illegible]	[illegible]
10¼pc 1995	10.04	6.67	[illegible]	[illegible]	[illegible]	102
Treas 12¾pc 1995‡‡	12.13	6.85	[illegible]	[illegible]	[illegible]	[illegible]
14pc 1996	13.05	6.99	[illegible]	[illegible]	[illegible]	[illegible]
15¼pc 1996‡‡	13.84	7.33	[illegible]	[illegible]	[illegible]	[illegible]
Exch 13¼pc 1996‡‡	12.30	7.39	[illegible]	[illegible]	[illegible]	[illegible]
Conversion 10pc 1996	9.64	7.84	[illegible]	[illegible]	[illegible]	[illegible]
Treas Cnv 7pc 1997‡‡	7.16	7.94	[illegible]	[illegible]	[illegible]	[illegible]
Treas 13¼pc 1997‡‡	12.05	7.39	[illegible]	[illegible]	[illegible]	[illegible]
Exch 10½pc 1997	10.02	8.00	[illegible]	[illegible]	[illegible]	[illegible]
Treas 8¾pc 1997‡‡	8.62	8.14	[illegible]	[illegible]	[illegible]	[illegible]
Exch 15pc 1997	12.85	8.30	[illegible]	[illegible]	[illegible]	[illegible]
9¾pc 1998	9.40	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 7¼pc 1998‡‡	7.48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 6¾pc 1995-98‡‡	7.07	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14pc 1998-1	12.08	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 15½pc '98‡‡	12.65	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Exch 12pc 1998	10.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 9½pc 1999‡‡	9.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Exch 12¼pc 1999	10.83	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 10½pc 1999	9.79	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 6pc 1999‡‡	6.62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Five to Fifteen Years						
Conversion 10¼pc 1999	9.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas Flg Rate 1999	–	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9pc 2000	8.17	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Conv 9pc 2000‡‡	8.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 13pc 2000	10.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10pc 2001	9.41	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7pc 2001‡‡	7.91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9¾pc 2002	9.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8pc 2003‡‡	8.29	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10pc 2003	9.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 11½pc 2001-4	10.20	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Notes	Yield Int	Yield Red	Price £	+ or –	1994 High	1994 Low
Funding 3½pc 1999-4	4.69	7.25	[illegible]	[illegible]	[illegible]	[illegible]
Conversion 9½pc 2004	8.97	8.59	[illegible]	[illegible]	[illegible]	[illegible]
Treas 6¾pc 2004‡‡	7.63	8.49	[illegible]	[illegible]	[illegible]	[illegible]
8½pc 2005	8.49	8.47	[illegible]	[illegible]	[illegible]	97
Conv 9½pc 2005	8.93	8.59	[illegible]	[illegible]	[illegible]	[illegible]
Treas 12½pc 2003-5	10.24	8.85	[illegible]	[illegible]	[illegible]	[illegible]
7¾pc 2006‡‡	8.19	8.47	[illegible]	[illegible]	[illegible]	[illegible]
8pc 2002-6‡‡	8.34	8.55	[illegible]	[illegible]	[illegible]	[illegible]
Treas 11¾pc 2003-7	10.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 8½pc 2007‡‡	8.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13½pc 2004-8	10.48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Treas 9pc 2008‡‡	8.64	8.47	[illegible]	[illegible]	[illegible]	[illegible]
Treas 8pc 2009	8.32	8.47	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Index-Linked	Notes	Yield (1)	Yield (2)	Price £	+ or –	1994 High	1994 Low
2pc '96	(67.9)	2.46	4.05	[illegible]	[illegible]	[illegible]	[illegible]
4⅝pc '98‡‡	(135.6)	2.90	3.81	[illegible]	[illegible]	[illegible]	[illegible]
2½pc '01	(78.3)	3.36	3.81	[illegible]	[illegible]	[illegible]	[illegible]
2½pc '03	(78.8)	3.47	3.83	[illegible]	[illegible]	[illegible]	[illegible]
4⅜pc '04‡‡	(135.6)	3.49	3.83	[illegible]	[illegible]	[illegible]	[illegible]
2pc '06	(69.5)	3.56	3.82	[illegible]	[illegible]	[illegible]	[illegible]
2½pc '09	(78.8)	3.61	3.84	[illegible]	[illegible]	[illegible]	[illegible]
2½pc '11	(74.6)	3.65	3.86	[illegible]	[illegible]	[illegible]	[illegible]
2½pc '13	(89.2)	3.68	3.85	[illegible]	[illegible]	[illegible]	[illegible]
2½pc '16	(81.6)	3.69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2½pc '20	(83.0)	3.72	3.88	[illegible]	[illegible]	[illegible]	[illegible]
2½pc '24‡‡	(97.7)	3.71	3.85	[illegible]	[illegible]	[illegible]	[illegible]
4⅛pc '30‡‡	(135.1)	3.74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Other Fixed Interest

[illegible]

● 'Tap' stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds.

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Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of AUTIF §§

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SELLING PRICE: Also called bid price. The price at which units are sold back by investors.

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Money Market Trust Funds

	Gross	Net	Gross CAR	Int Cr
CAF Money Management Co Ltd 48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Calcash Deposit Fund	5.75	–	5.85	3-Mth
Deposits Over £1 million	5.93	–	5.98	3-Mth
Deposits Over £2 million	5.95	–	6.07	3-Mth
The CBF Charities Deposit Account 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.70	–	5.82	3-Mth
Cent. Bd. of Fin. of Church of England‡ 2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	5.75	–	5.90	3-Mth

Money Market Bank Accounts

	Gross	Net	Gross CAR	Int Cr
Allied Trust Bank Ltd 25 Dowgate Hill, London, EC4R 2AT 071-626 0879				
FOMMA (£2,001+)	6.54	4.90	6.54	Yearly
TREMMA (£2,001+)	5.85	4.39	5.85	Yearly
TOMMA (£2,001+)	5.64	4.23	5.64	Yearly
OMMA (£2,001+)	5.30	3.98	5.30	Yearly
HICA (£2,001+)	4.00	3.00	4.07	Mth
HIBCA (£2001+)	4.00	3.00	4.07	Mth
Premier TESSA	6.87	5.15	6.87	Yearly
SIMMA (£2,001-£9,999)	6.70	5.02	6.70	Yearly
SIMMA (£10,000+)	6.96	5.22	6.96	Yearly
American Express Bank Ltd Amex House, Burgess Hill RH15 9AQ 0444 239444 High Performance Cheque Account				
£500-£999.99	1.00	0.75	1.00	Mth
£1,000-£4,999.99	3.50	2.63	3.56	Mth
£5,000-£9,999.99	3.75	2.81	3.82	Mth
£10,000-£24,999.99	4.00	3.00	4.07	Mth

[illegible]

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OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Init Charge | Notes | Selling Price | Buying Price | + or - | Yield Gr's

Fidelity Money Funds
Pembroke Hall, Pembroke, Bermuda
UK: Fmt Advisers 0800 414161 Jersey: 0534 71696
Private Clients 0800 414161 010 352 250404230
From O'seas (44) 732 777377 Hong Kong (852) 848 1000

Prices for dealing December 16

Jupiter Tyndall (Bermuda) Ltd
PO Box HM1266, Hamilton, Bermuda 0101 809 292 2760
Jupiter Tyndall World Umbrella Fund Ltd

Momentum Asset Management Ltd
Clarendon House, Church Street, Bermuda UK 0171 581 3841
Navellier Perf Dec 14 | | $98.24 | | — | —

Newport Investment Management
73 Front street, Hamilton, Bermuda Dealing: 0481 726268
Newport SelectPlus Fund Ltd
Newport International Management 0481 726268

Orion Fund Limited
8 Front St., Hamilton, HM11, Bermuda 809 292 6370
Orion Dec 8 | | $20.10 | | — | —

GUERNSEY (SIB RECOGNISED)

Init Charge | Notes | Selling Price | Buying Price | + or - | Yield Gr's

AIB Investment Managers (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey CI 0481 710851
AIB Offshore Fund Ltd

Adams & Neville Fd Mangt (Guernsey) Ltd
PO Box 258 St Peter Port Guernsey CI 0481 710651

Equitable International Fund Managers Ltd
PO Box 256, St Peter Port Guernsey CI 0481 710651

Guinness Flight Fd Mngrs (Guernsey) Ltd
PO Box 250, St Peter Port, Guernsey
Enquiries 0481 712176 Dealers 0481 710681
Guinness Flight International Accum Fund (Daily)
Global Strategy Fund (Daily)

Hambros Fd Mgrs (CI) Ltd
PO Box 255, Guernsey 0481 715454

Kleinwort Benson Intl Fd Mngrs Ltd
PO Box 44, Guernsey, CI 0481 709698/709693
*Offer price includes of maximum preliminary charge

Lazard Freres Asset Management (CI) Ltd
PO Box 275, St Peter Port, Guernsey, CI 0481 710481
Emerging World Vat Fd. 5 | | $10.17 | 11.01 | — | —

Lazard Fund Mngrs (Channel Islands) Ltd
PO Box 275, St. Peter Port, Guernsey, C.I. 0481 710481
Lazard Select Investment Trust Ltd

Lloyds Intl Money Market Fund Ltd 0481 724983
Sarnia Hse, Le Truchot, St Peter Port
Lloyds Bank Fund Managers (Guernsey) Ltd
Dealing daily

M & G (Guernsey) Ltd
Westbourne, The Grange, St Peter Port 0481 722803

Prudential Fund Managers (Guernsey) Ltd
Po Box 61, St Peter Port Guernsey 0481 726265
Prudential Money Funds Ltd

Rothschild Asset Management (CI) Ltd
PO Box 242, St Peter Port, Guernsey 0481 713713

Royal Bk of Canada O/S Fd Mgrs Ltd
PO Box 246, St Peter Port, Guernsey 0481 723021
Intl Currencies Fd Ltd
Latest Fund Prices 24hr service 0481 718043

Sarasin Funds Mngmt (Guernsey) Ltd
PO Box 246, St Peter Port, Guernsey 0481 723021

Schroder Investment Mngmt (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey 0481 710851

GUERNSEY (REGULATED)(**)

Selling Price | Buying Price | + or - | Yield Gross

ANZ Mngmt Co (Guernsey) Ltd

Apollo Investment Management Ltd
Tiger | $9.669 | 10.285 | — | —

Arab Bank Fund Managers (Guernsey) Ltd
AB International Fund Ltd

Bachmann Global Investment Fund Ltd

Bellwest Management (Guernsey) Ltd

CIBC Fund Managers (Guernsey) Ltd

Clariden Investment Management (Guernsey) Ltd
Clariden India Fund | $101.28 | | — | —

Dantrust Management (Guernsey) Ltd

Global Portfolio Management (Guernsey) Ltd
Global Conv Bd Sep 29 | $10.89 | 11.11 | — | —

Guernsey Capital Management Limited

Hambros Fund Managers (CI) Ltd
Japanese OTC | $7.9540 | 8.4415 | — | —

Hauteville Fund Managers (Guernsey) Ltd
Hauteville G & B Fd | SFr8.54 | 8.73 | +0.08 | 0.79

Ravelet Throgmorton Mngmt Ltd

IPS (Guernsey) Ltd
Global Managed Portfolio | 113 | 119 | -2 | —

Kleinwort Benson Intl Fd Mngrs Ltd
*Offer price inclusive of maximum preliminary charge

Lazard Fund Managers (CI) Ltd

Lazard Freres Asset Management (CI) Ltd

Lloyds Bank Fund Managers (Guernsey) Ltd
Austro-Hungary Fund Limited
NAV Dec 12 | | 57.19 | — | —

Merrill Lynch Guernsey

Nikko Capital Mngt (Europe) Ltd

Quilter International Management Ltd

Rothschild Asset Mngmt (CI) Ltd
Five Arrows International Equity Funds

Saudi International (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

UBK Asset Management (Guernsey) Ltd

U.S. Advisors (Guernsey) Limited

Wells Fargo Nikko Inv Adv Gey Ltd

Yamaichi Capital Mngt (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

Init Charge | Notes | Selling Price | Buying Price | + or - | Yield Gr's

BT Fund Managers (Ireland) Ltd
80 Harcourt Street, Dublin 2 010 3531 7902400
BT Global Assets Fund
BT International Investment Series

Baring International Fd Managers (Ireland) Ltd
IFSC Hse, Custom Hse Docks Dublin 071-628 6000

Coutts & Co Fund Managers Limited
18 Dawson Street, Dublin 2, Ireland 010 3531 6622874
Coutts Global Fund

Dresdner Intl Management Services Ltd
La Touche House, IFSC, Dublin 1 010 3531 6701444
Dresdner Thornton Asian Selections Fund plc
DSB-Thornton Latin American Selections Fd Plc

Dunedin Unit Trust Managers (Ireland) Ltd
80 Harcourt Street, Dublin 2 010 3531 7902400

Federated International Funds Plc (u)
18 Dawson Street, Dublin 2 010 3531 6613444
Federated Short-Term US Gov't Securities Fund
* Annualised 7-Day Yield

The Fiduciary Trust Global Fund
12 Lower Leeson Street 010 353 1 6613433

GAM Fund Management Ltd (u)
65-66 Lower Mount St, Dublin 2, Ireland 010 353 1 6760 830

GT Asset Management (Ireland) Ltd
(44) 71 710 4567 London (852) 842 7200 Hong Kong

Morgan Grenfell Investment Funds Ltd (u)
20 Finsbury Circus, London EC2M 1UT 071-826 0826

Old Mutual International Fd Mngrs Ltd (u)
9/11 Lower Mount Street, Dublin 2, Ireland 010 3531 6621333

Prolific International Fund Plc
53 Fitzwilliam Square, Dublin 2
Enquiries 071 280 3700 Dealing 0800 282840

Scottish Value Management (Ireland) Ltd (u)
12 Lower Leeson Street, Dublin 2 010 3531 6613433
UK Growth | £1.36 | 1.38 | — | —
European Growth | £1.61 | 1.65 | — | —

Singer & Friedlander Inv Funds Ltd (u)
21 New Street, Bishopsgate, EC2M 4HR 071-626 3226

Singer & Friedlander Inv Funds Ltd - Contd.

Swiss Life Investment Fund – Proteus (u)
1 Harbourmaster Place, Dublin 1

IRELAND (REGULATED)(**)

Selling Price | Buying Price | + or - | Yield Gross

AIB Fund Management Ltd

Apollo Fund Plc
NAV Sep 30 | $9917.01 | | — | 0.00

Argenta European Hedge Fund plc
NAV | $89.63 | | — | 0.00

Asia Small Cos Growth Fund (u)
NAV Dec 16 | $9.85 | | +0.01 | —

Asian Diversified Equity Fund Plc
NAV | $9.45 | | -0.28 | —

Asian Emerging Markets Fund Plc

Asian Growth Fund Plc
NAV | $10.83 | | -1.38 | —

BT Fund Managers (Ireland) Ltd (u)
BTIM US Dollar Nov 30 | $1089.18 | | — | —

Bank of Cyprus Group
BOC International Fund Management Ltd

Bank of Ireland Unit Managers Ltd

Baring International Fd Mngrs (Ireland) Ltd

Baring Mutual Fund Mngmt (Ireland) Ltd

CFP Interest Rate Arbitrage Fund Plc
NAV | $9.76 | | — | 0.00

Chemical Ireland Fund Administrators Ltd

Citizens Investment Trust Mngt Company
CITC Frontier NAV Dec 6 | $19.78 | | -1.83 | —
CITC Select Fund Plc

For Dresdner Intl Mgt see Ireland (SIB Recognised)

For Dunedin see Ireland (SIB Recognised)

Dynamic Pacific Portfolio Fund Plc
NAV | $10.49 | | -0.64 | —

Emerging Dynamic Fund Plc
NAV | $10.28 | | -0.45 | —

F.I.T. Investment Trust Ltd (u)
F.I.T. Czech Inv | SFr65.17 | | +0.18 | —

Framlington Investment Mgmt (Ireland) Ltd
Maghreb | $9.86 | | — | —

Frank Russell Investments (Ireland) Ltd (u)

GAM Fund Management Ltd

GT Asset Management (Ireland) Ltd

Hambros Fund Managers (Ireland) Ltd

Henderson Crosthwaite Investment Co

Kim Europe Worldwide Fund
NAV | $9.86 | | -0.088 | —

Kime Yuki Korea Fund Plc
NAV | $11.46 | | -0.14 | —

Kleinwort Benson Bond Arbitrage Fund Plc

Kleinwort Benson Derivative Products Fd Plc

Kleinwort Benson Capital Mngt (Ireland) Ltd

Korea CB Fund Plc
NAV | $10.75 | | -0.21 | —

Korea Capital Growth Fund
NAV | $9.52 | | -0.39 | —

Korea Sprint Fund Plc
NAV | $8.50 | | -1.16 | —

Korea Sunrise Fund
NAV | $10.57 | | +0.05 | —

Morgan Grenfell Fixed Income Funds Plc

Morgan Grenfell Profunds Plc

Old Mutual International Ltd

Orient Balanced Fund Plc
NAV | $11.39 | | -2.20 | —

Pacific Growth Fund Ltd
NAV | $7.98 | | — | —

Paine Webber Offshore Funds Plc (u)

Paribas Asset Management (Ireland) Ltd

J. Rothschild International Assce plc

Sanwa International (Ireland) Plc

Scottish Amicable European/International

Stellar Fund Plc
NAV | $12.04 | | -1.18 | —

Ulster Bank Investment Services

Value Express Fund Plc
NAV Oct 7 | $10.74 | | -0.86 | —

Yellow Sea Investment Company PLC
NAV | $11.42 | | -0.14 | —

Ykid Korea Fund
NAV | $943.16 | | -48.29 | —

ISLE OF MAN (SIB RECOGNISED)

Init Charge | Notes | Selling Price | Buying Price | + or - | Yield Gr's

AXA Equity & Law Intl Fund Mngrs
Victory Hse, Prospect Hill, Douglas IoM 0624 677077
Total Income Fd | 5 | 94.09 | 99.05 | +0.01 | 6.0

Allied Dunbar Intl Fund Mgrs (1600)F
Lord Street, Douglas, IoM 0624 661551
For conversion Prices of Shares Phone: 0624 662000

Asset Global Funds Ltd (1200)
Victory Hse, Prospect Hill, Douglas, IoM 0624 626087

Bank of Ireland
c/o "BI" Managers (IOM) Ltd
4 Christian Road, Douglas, IOM 0624 622676

CMI Fund Managers (IoM)
Clarcal Medical Hse, Douglas, IoM 0624 625098
CMI Core Portfolio Fund
* Yield expressed as C.A.R. (Compound Annual Return)

Leopold Joseph Fund Mngrs (IoM) Ltd
PO Box 52 Athol St Douglas IoM 0624 681070

Mercury Fund Managers IoM Ltd
12-13 Hill Street, Douglas IoM 0624 662255

Sun Life Management (IoM) Ltd
PO Box 22, Castletown, IoM 0624 824131

Unibank Scandinavian Fund Ltd
19-21, Circular Rd, Douglas, IoM 0624 629420
Scandinavia Fd | 5 | 192.07 | 206.72 | — | 11.00

ISLE OF MAN (REGULATED)(**)

Selling Price | Buying Price | + or - | Yield Gross

ATC Fund Management Ltd

AXA Equity & Law Intl Fund Mgrs

City Financial Admin (IoM) Ltd

Duncan Lawrie Inv. Mgt. Ltd

John Govett Management (IoM) Ltd

IBI Managers (IoM) Ltd
IBI Global Funds

R & H Fund Managers Ltd

JERSEY (SIB RECOGNISED)

Init Charge | Notes | Selling Price | Buying Price | + or - | Yield Gr's

AIB Fund Managers (CI) Ltd
PO Box 468 St Helier Jersey 0534 36633
AIB Govett Currency Fund Limited

Barclays International Funds
PO Box 152, St Helier, Jersey CI 0534 812700
Equity Funds
Currency Funds
Bond Funds

Capital House Fund Mgrs (CI) Ltd (0900)H
PO Box 189, St Helier, Jersey 0534 285707
Capital House International Growth Funds Ltd
Equities
Bonds
Currencies
Managed

Coutts & Co (Jersey) Fund Managers Ltd
23/25 Broad Street, St Helier, Jersey CI 0534 282345
Coutts Money Market Fund Ltd

Gartmore Fund Mngrs Intl Ltd
PO Box 278, 45 La Motte St., Jersey 0534 886588
Capital Strategy Fund Ltd (z)

John Govett (Channel Islands) Ltd (1900)F
6 Minden Place, Helier, Jersey 0534 38578
Global Stock Inv Ltd (Daily Growth Realised)
Initial charge may alter for sales in other jurisdictions

Hill Samuel Fund Mgrs (Jsy) Ltd (1000)F
PO Box 63, Bond Street, St. Helier, Jersey 0534 604814
International Currency Fund

Lloyds Bank (CI) U/T Mgrs.
PO Box 195, St Helier, Jersey 0534 284242
Dealing daily

Midland Bank Fund Managers (Jersey) Ltd
PO Box 26, St Helier, Jersey 0534 606060

Prudential Fund Managers (Jersey) Ltd
PO Box 103, St Helier, Jersey 0534 70000

Royal Bank of Canada (Jsy) Fd Mgt Ltd (1400)F
PO Box 194, St Helier, Jersey 0534 283454

Standard Bank Fund Mngmt (Jersey) Ltd
PO Box 583, St Helier, Jersey CI 0534 67557

TSB Trust Funds (CI)
PO Box 538, St Helier, Jersey 0534 503002
TSB Offshore Investment Fund Ltd
TSB Gilt Fund Ltd

JERSEY (REGULATED)(**)

Selling Price | Buying Price | + or - | Yield Gross

Barclays Intl Funds
Asian Selection Funds

Cater Allen Investment Management (CI)

Cazenove International Asset Mngt Ltd (CIAM)

Citibank (CI) Ltd "Citiunds"
Equity Funds
Bond Funds

Citibank N.A.

Concerto Ltd
NAV Dec 9 | $91.16 | | — | —

Coutts & Co (Jersey) Fund Managers Ltd
Addington Replica Portfolio Ltd

EBC Fund Managers (Jersey) Ltd
EBC Traded Currency Fund Ltd*
*Offer price includes 3% prelim. charge
International Income Fund*
* Offer Price includes 3½% Initial Charge

Fleming Group
Robert Fleming Management (Jersey) Ltd

Foreign & Colonial Mngmt (Jersey) Ltd
Hypo Foreign & Colonial Reserve Asset Fd Ltd

John Govett Management (Jersey) Ltd

INVESCO International Limited
All Funds deal daily except where indicated
Sterling Denominated Income Funds
Sterling Denominated Growth Funds
US Dollar Denominated Deposit Funds
MIM London Agents
Apollo Fd Dec 14 | SFr04.56 | 101.39 | — | —
*Weekly Dealing. †Fortnightly Dlng. **Monthly Dlng.

Jupiter Tyndall (Jersey) Ltd

Lloyds Private Banking (CI) Ltd
Dealing Weekly on Thursday

Lombard Odier (Jersey) Ltd
Fixed Income Funds
Obliflex Ltd
Accumulating Classes
Distributing Classes
Lombard Odier Obliflex suffix Stat Equity Funds

Lonworld Financial Services Limited
Worldwide Investment | $9.29 | 9.74 | — | —

For Management Intl see GT Ireland SIB Recognised

Minerals, Oils Res. Shrs. Fd. Inc.
Mores Dec 15 | $17.14 | 17.50 | — | 2.46

Northgate Unit Tst. Mngr. (Jersey) Ltd
Pacific Fund Dec 15 | $48.04 | 51.05 | — | —

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Limited
Lloyds Bank International (Jersey) Limited
NAV Dec 9 | $8.85 | | — | —

Royal Bank of Canada Intl Fd Mgt Ltd
International Bond † | $1.074 | 1.130 | — | 3.72
†Prices on Dec 13 Next dealing Dec 20

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

Schroder Mngt Services (Jersey) Ltd
Schroder Money Funds Ltd

Scrimgeour Kemp-Gee Mngmt., Jersey

TSB Trust Funds (CI)

Warburg Asset Management Jersey Ltd

Worldinvest (Managers) Jersey Ltd
Valued weekly. * Monday. † Wednesday.

LUXEMBOURG (SIB RECOGNISED)

Init Charge | Notes | Selling Price | Buying Price | + or - | Yield Gr's

ABN AMRO Funds
14 Rue Jean Monet, L-2180 Luxembourg 352 4249490320

Abtrust Fund Mngrs Luxembourg SA (u)
13 rue Goethe L-1637 Luxembourg 010 352 4046461
Abtrust Atlas Fund

American Phoenix Investment Portfolios (u)
13 rue Goethe, L-1637 Luxembourg 010 352 4046461

BAII Intermarket Fund
2 Boulevard Royal, Luxembourg 010 352 4580 3362
NAV Nov 30 | $536.77 | | -2.07 | —

Bank Von Ernst & Cie AG
Marktgasse 63/65, 3001 Berne, Switzerland +41 31 329 11 11
Von Ernst Global Portfolio
Equity Sub-Funds
Bond and Near-Cash Sub-Funds
International Sub-Funds

Barclays Diversified Portfolio (z)
14 rue Aldringen L-1118 352 4799 2939

Barclays Inv Funds (Luxembourg)
26 Place de la Gare, L-1616 010 352 404344
Equity Funds
Bond Funds

CMI Asset Management (Luxembourg) SA
203 route d'Arlon, L-1150 Lux 010 352 466525
CMI Managed International Fund (u)
CMI Global Network Fund (u)

Comgest SA
56 rue de Londres, 75008 Paris 010 331 4470 7510
Comgest Europe SICAV | SFr1244.85 | | — | —

Commercial Union Luxembourg SA (u)
26 Place de la Gare, L-1616 010 352 4020201
Commercial Union Privilege Portfolio
Equity Funds
Reserve Funds
Bond Funds

Cravale Group (u)
11 Rue Aldringen, L-1118 Luxembourg 071-367 8400

DB Investment Management SA
2 Boulevard Konrad Adenauer, Lux 010 352 421011

Den norske Bank
2 boulevard Royal, Lux 010 352 4590 3271

Disa Income Fund
BP 413, L-2014, Luxembourg 010 352 4048461

Dolphin Intl Investments (u) SICAV
6 d route de Treves L-2633 Luxembourg 0534 27301

Dresdnerbank Asset Mngmt SA (u)
6A route de Treves L-2633 Senningerberg 010 352 463451

E.T. Investment Management Ltd
13 Rue Goethe, BP 412, Luxembourg 010 352 4048481

Eagle Star – Global Assets Fund (u)
8 Avenue Emile Reuter, L 2420, Luxembourg
Dealing UK 0534 681300 Europe: 010 352 471764
All funds are denominated in Ecu. Prices quoted are Sterling equiv

Eigistan Global SICAV (u)
13 Rue Goethe, L-1637, Luxembourg 010 352 4048481

EquiFund–Wright National Eqty Fd (u) (x)
14 rue Aldringen, L-1118 Lux 010 352 4799 2584

Fidelity Funds (u)
Kansallis Hse, Place de L'Etoile, L-1021 Lux BP 2174
UK-0732 777377 Lux-010 352 250404230
Major Market Funds
Country Select Funds
Bond Funds
Balanced
European Balanced | DM9.952 | | -0.004 | —
Prices as at December 15

Fleming Group (u)
6 Route De Treves L-2633 Senningerberg Luxembourg
010 352 34101 or 0800 889 284
Fleming Flagship Fund (Daily dealing)
Fleming Flagship Series II (Daily Dealing)

Foreign & Colonial Emerging Markets Ltd (u)
Exchange Hs, Primrose St, Ldn, EC2A 2NY 071-628 1234
F&C Emerging Markets

Frontrunner I (u)
672 rue de Neudorf, Luxembourg 010 352 4367350

Gartmore Luxembourg SA (u)
38 Allee Scheffer, L-2520 Lux 010 352 4767470
Japan Warrant | $0.46 | 0.48 | — | —

HSBC Investment Funds Luxembourg SA (u)
7 rue du Marche – aux – Herbes L-1728 Luxembourg
Dealing: 010 352 476812220 Fax: 475599
HSBC Global Investment Funds
International and Regional Funds
Market Specific
Bond and Reserve Funds

Henderson Management SA (u)
60 rte de Treves, L-2633 Senningerberg, Lux
071-638 5757 or 010-352 348822
Henderson Horizon Fund

Hypo Foreign & Colonial Port Fd Sicav(u)
Exchange Hse, Primrose St EC2A 2NT 071-628 8000

INVESCO International Limited (u)
PO Box 271, St Helier, Jersey 0534 73114
Warrant Funds
Premier Select Funds

Jupiter Tyndall Global Fund
13 rue Goethe L-1637 Luxembourg 010 352 404661

Kleinwort Benson Japanese Warrant Fund
14 rue Aldringen Luxembourg 010 352 4799 2939
NAV | | $5.414009 | | — | —

Kleinwort Benson Select Fund (u)
14 Rue Aldrigen L-1118 Luxembourg 010 352 4799 2939

Liberty ALL-STAR World Pfolio–Eqty Fd(u)
2 boulevard Royal, Luxembourg 010 352 45901
NAV (z) | | $12.82 | | -0.04 | —

Lloyds Bank Luxembourg
1, Rue Schiller, L-1019 Luxembourg 010 352 4022121
Lloyds International Portfolio SICAV

Midland Intl Circuit Fund SICAV(u)
Midland Bank Fund Managers (Jersey) Ltd
PO Box 26, St Helier, Jersey 0534 606060

Nikko Japan Return Reversal Fund
c/o Total Alpha Investment Fund Management Co
18 Bld Royal, Luxembourg 352 4072040002/2
Nikko Jpn Rtrn Rvrsl Fd | | 1002 | 1002 | — | —

Nomura Global Fund (u)
1 St Martin's-le-Grand, EC1A 4NP 071 776 8811
Asia Pacific P'folio | | $7.29 | | +0.07 | —

PRICOA Worldwide Inv Portfolio Sicav (u)
47 Boulevard Royal, L-2449, Lux 010 352 4641764

Regent Global Fund (u) (z)
13 rue Goethe, L-1637 010 352 40 4048 241

S-E-Banken Luxembourg SA
16 Boulevard Royal, L-2449, Luxembourg
Scandifonds
Scandifond Equity Fund
Scandifond Far East
Scandifond Bond Fund
Scandifond International Stock

Sarasin Investment SICAV (u)
14 Rue Aldringen, L-2951, Luxembourg 010 352 4799 2960

Schroder International Selection Fd (u)
13 rue Goethe L-1637 Luxembourg 010 352 4048 4264

Scottish Equitable Intl Fund SICAV (u)
14 rue Aldringen, L-1118, Luxembourg 010 352 4799 2960

Sun Life Global Management Ltd (u)
PO Box 22, Castletown, IoM 0624 824131
Global Portfolio

Templeton Global Strategy Funds
30 Grand-Rue L-2011 Luxembourg 010 352 466667-1

Thornton Investment Management Ltd
33 Cannon Street, London EC4M 5SB 071 246 3000

S.G. Warburg Asset Mngmt Lux SA
14, Rue Leon Thyes, L-2636 Lux 010 352 421211
Mercury Selected Trust-SICAV (u)
Mercury Offshore Stlg Tst-SICAV (u)

LUXEMBOURG (REGULATED)(**)

Selling Price | Buying Price | + or - | Yield Gross

Aetna International Umbrella Fund (u)
Growth Funds
Income and Growth Funds
Income Funds
Liquid Reserve Fund
Prices quoted are 'A' shares

Alliance Capital
Growth
Income
Closed-End
*Offer price depends on jurisdiction

Asian Development Equity Fund

Atlantas Sicav

BAII Intermarket Fund
Intermarket Intercurrency Fund

BAII (Interportfolio)

Banque Ferrier Lullin (Lux) SA

Banque Indosuez Luxembourg
France Avenir Dec 15 | FFr11611.41 | | — | —

Banque Paribas Luxembourg

Banque Scandinave En Suisse
BSS Unimanaged Fund SICAV

CB Fund International (u)
CB Fd Int | $12.16 | | — | —

CSFB Umbrella

Capel-Cure Myers Intnl Fd Sicav (u)

Carlson Investment Management
Carlson Equity-Japan Regional | Y89.08 | | — | —

Citicorp Investment Mgmt (Luxembourg) SA
Super Asia Infrastructure | $16.72 | | -0.03 | —

Clan European Asset Value Fund
NAV Dec 15 | $9.50 | | — | —

Clemente Korea Emerging Growth Fund
NAV Dec 9 | $14.49 | | -0.07 | —

Credis Investment Funds

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FT MANAGED FUNDS SERVICE

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Selling Price | Buying Price | + or - | Yield Gross

Credit Investment Funds - Contd.

[illegible]

NICAM Asia Pacific Umbrella Fund

[illegible]

Nikko Asia Convertible Bond Fund

Nikko Asia Conv Bond NAV. $9.12

Nikko Bank (Luxembourg) S.A.

Nomura Asian Infrastructure Fd SICAV

NAV $30.26 +0.21

Nomura Rosenberg Alpha Fund Mark II

Pacific Basin Growth Fund

Rosenberg Global Mngt Co SA (u)

Rosenberg Management SA (u)

Rosenberg US Japan Mngmt Co SA (u)

Edmond de Rothschild Group

[illegible]

"WINTERTHUR" Fund Mngmt Co (Lux) SA

World Bond Fund-SICAV (z)

World Bond Fund $29.89 31.38 +0.01 0.00

World Trust Fund

Shares NAV $14.81

Yamaichi Advanced Technology Fund

Advanced Tech $24.09

OFFSHORE INSURANCES

Selling Price | Buying Price | + or - | Yield Gross

AXA Equity & Law Intl Life Assce Co

Victory Hse, Prospect Hill, Douglas, IoM 0624 677677

Albany International Assurance Ltd

St Mary's, Castletown, Isle of Man 0624 822292

[illegible]

CMI Insurance Co Ltd - Contd.

[illegible]

Century Life International

Rue Du Coutnovre, St Peter Port, Guernsey 0481 727068

Eagle Star Intl Life

Eagle Star Hse, Athol St, Douglas, IoM 0624 662266

[illegible]

Sun Life International (IOM) Ltd

Bridge House, Castletown, Isle of Man

Tel: 44 (0) 624 825000 Fax: 44 (0) 624 825010

OTHER OFFSHORE FUNDS

Selling Price | Buying Price | + or - | Yield Gross

ATSP Management Ltd

Philippines Long Term Equity Fund

NAV Nov 30 $30.92

Abtrust Fund Mngrs (Guernsey) Ltd

The New Asia Fund Ltd

Adig Investment

Aetna Malaysian Growth Fd (Cayman) Ltd

NAV Dec 12 $13.0151

Alliance Capital

Allied Dunbar International Fund Mngrs (1600)F

Alpha Fund Management Ltd

[illegible]

The Environmental Investment Co Ltd

NAV Dec 13 $9.36

Ermitage Group

[illegible]

Europe 1992

NAV $10.54 +0.04

S.G. Europe Obligations SA

Europe-Obligations $101.51

FFM / Swiss Financial Services

Multiple Advisory Ltd $1472.00

Fairbanks Global Capital Fund Ltd

NAV Aug 31 $51582.14

Ferrell Management Ltd

Fidelity Investments

Financiere Atlas

Firebird Capital Management

Overseas Ltd NAV Oct 31 $137.42

First Investments Ltd

First Mexico Income Fund

[illegible]

Jardine Fleming Unit Trusts Ltd - Contd.

[illegible]

Johnson Fry Securities Ltd

For Jupiter Tyndall see Bermuda (SIB Recognised)

Jupiter Tyndall (Bermuda) Ltd

KI Asia Pacific Fund Ltd

KI Asia Pacific $11.81 11.87

Kingate Global Fund Ltd

Kingdom Offshore N.V.

NAV Dec 9 $17.47

Korea China Super Fund Ltd

NAV Nov 30 $11.37

Korea Intl Investment Fund

NAV Dec 12 $187.77

Korea Intl Investment Fund Ltd (II)

NAV Dec 12 $76.64

Korea Investment Trust Co Ltd

Lehman Brothers Oporto Growth Fund

NAV Nov 30 $9.93

Lippo Asia Ltd

[illegible]

Pakistan Fund

NAV Dec 8 $9.72

Panther Capital Advisors

Panther Fund Dec 15 $10.44 -0.16

Paquot International Fund Inc

NAV Dec 07 $205.49

Peru Select Group of Funds Limited

Peru 2000 $9.93

Philippine Income Fund Inc

NAV Dec 14 $10.03

Portuguese Investment Fund Ltd

NAV Dec 15 $98.6310

Private Asset Management GAM Fund Inc

NAV $99.62

Prospect Asset Management (CI) Ltd

Prospector Fund Management Ltd

Putnam Embassy Funds Ltd

Putnam International Advisers Ltd

Quantum Group

Real Estate Strategies Ltd

RES International C$- 1157.21

Regent Fund Management Ltd

[illegible]

Schroders Australia Ltd

Schroder Aust Sh A$7.89 8.22

For Schroder (Switzerland) see Luxembourg (Regulated)

Scimitar Bermuda Funds

Scudder, Stevens & Clark Inc

Seahawk International Inc

Seahawk International Inc $210.8711

Sagepar Securities (Bermuda) Ltd

Green Way Ltd NAV Oct 31 $20303.64

Seychelles Fund Ltd

NAV Jun 30 $857.7620

Shizuoka Investment Mngmt (Bermuda) Ltd

Japan Opps NAV Nov 30 $15.087

Sintra Fund Ltd

NAV Dec 5 $14.90

Sloane Robinson Investment Mngmt Ltd

S.R. Global Fund Inc

Europe Dec 14 $94.15

Asia Dec 14 $103.18

International Dec 14 $93.04

S R Global Bond Fund Inc

Global Bond A Acc Dec 14 $101.77

Global Bond A Dist $101.89

Smith Barney Funds

Soditic Asset Management Inc

Carl Spaengler KAG

Long Term Value Trust NAV $584.21

Springfield Fund Mgmt (Gibraltar) Ltd

Global Liquidity Fd Ltd $103.00 7.05

Sri Lanka Growth Fund

NAV Dec 15 $7.97

State Street Banque SA

Strauss Offshore Limited

NAV Nov 30 $175.29

Suisse Finance Corporation

Infinity Investors Ltd $3718.00

Swiss Bank Corporation

[illegible]

Taipei Fund

Templeton Galbraith & Hansberger Ltd

Global Inc Dec 14 $7.58 8.50

The Egerton European Dollar Fund Ltd

NAV Dec 8 $9.04

The Egerton European Equity Fund Ltd

NAV Dec 8 DM10.19 -0.05

For The Thai Development Capital Fd see Crosby Asset

The Thai-Euro Fund Ltd

Lloyds Bank Fund Mngrs (Guernsey) Ltd

The Thai Prime Fund Limited

NAV Dec 9 $23.33

The Thailand Fund

[illegible]

Wellington Fd Mngrs (Bermuda) Ltd

Intl Growth Fd $14.85 15.59 -0.49

Wells Fargo U.S. IT Fund

Wells Fargo A Shs (z) $12.15 -0.02

Worldwide Limited

NAV Oct 31 $87.29

Xiphias International Investment Fd Ltd

Xiphias Global Growth $9.00

Yamaichi Capital Management (Guernsey) Ltd

Thai Inv Fund $21.28

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales.

(**) Funds not SIB recognised. The regulatory authorities for these funds are:

Guernsey - Financial Services Commission

Ireland - Central Bank of Ireland

Isle of Man - Financial Supervision Commission

Jersey - Financial Services Department

Luxembourg - Institut Monétaire Luxembourgeois.

Initial charge - Charge made on sale of units.

Selling price - Bid or redemption price.

Buying price - Offer or issue price.

Time - The time shown alongside the fund manager's name is the time of the fund's valuation point unless indicated by one of the following symbols:

(✱) - 0001 to 1100 hours

(✱✱) - 1101 to 1400 hours

(▲) - 1401 to 1700 hours

(▲▲) - 1701 to midnight

E - Exit charge on sale of units.

C - Manager's periodic charge deducted from capital.

H - Historic pricing F - Forward pricing

b - Distribution free of UK taxes.

p - Periodic premium insurance plans.

s - Single premium insurance.

u - Designated as a UCITS (Undertakings for Collective Investment in Transferable Securities).

x - Offered price includes all expenses except agent's commission.

z - Previous day's price.

GG - Guernsey gross.

♦ - Yield before Jersey tax.

† - Ex-subdivision.

& - Only available to charitable bodies

ɸ - Yield column shows annualised rates of NAV increase.

xd - Ex-dividend.

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No FT, no comment.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List *the latest recorded business in the four previous days is given* with the relevant date.

Rule 4.2(a) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ɸ Bargains done the previous day.

British Funds, etc

Treasury 13¾% Stk 2000/03 - £123
Exchequer 10½% Stk 2005 - £113⅞ (9De94)

Corporation and County Stocks

Birmingham Corp 3½% Stk 1946(or after) - £37 (13De94)
Hull Corp 3½% Stk(1st Iss) - £35 (12De94)
Hull Corp 3½% Stk(2nd Iss) - £35 (14De94)
Leicester City Council 7% Ln Stk 2019(Reg) - £80¾ .8
Manchester(City of) 11.5% Red Stk 2007 - £115½ ½ (13De94)
Oldham Corp 4% Deb Stk - £42 (14De94)
Salford (City of) 7% Ln Stk 2019(Reg) - £80¾ɸ

UK Public Boards

Metropolitan Water Metropolitan Water 3% A Stk 63/2003 - £68 (13De94)
Port of London Authority 3% Port of London A Stk 29/99 - £80½
Port of London Authority 3½% Stk 49/99 - £83

Foreign Stocks, Bonds, etc- (coupons payable in London)

Abbey National Sterling Capital PLC10⅛% Subord Gtd Bds 2023 (Br £ Var) - £103¼ (12De94)
Abbey National Sterling Capital PLC11½% Subord Gtd Bds 2017 - £116.55
Abbey National Treasury Servs PLC 6% Gtd Nts 1999(Br£1000,10000,100000) - £88⅝
Abbey National Treasury Servs PLC 6½% Gtd Bds 2003 (Br $ Var) - $88¼ (12De94)
Abbey National Treasury Servs PLC 7⅛% Gtd Nts 1998 (Br £ Var) - £96.78 (13De94)
Abbey National Treasury Servs PLC 8% Gtd Bds 2003 (Br £ Var) - £92½ (14De94)
Anglo & Overseas Trust PLC 9% Secured Debs 2012 (Br£10000) - £97⅞ɸ
BP America Inc 9½% Gtd Nts 1998 (Br £ Var) - £101⅛ (13De94)
Bank of Melbourne Ld FRN 1997(Br$ Vars) - $99.955 99.984 (13De94)
Barclays Bank PLC 6.5% Nts 2004(Br£Various) - £83 3 (14De94)
Barclays Bank PLC 9.875% Undated Subord Nts - £97¾
Barclays Bank PLC 10¼% Sen Sub Bds 1997(Br£1000&10000) - £103¾
Bradford & Bingley Building SocietyCollared FltgRteNts 2003(Reg Multi£1000) - £95¼ (13De94)
Bristol & West Building Society 10⅞% Subord Bds 2000(Br£10000&100000) - £103¾
British Airways PLC 9½% Nts 1997(Br£1000&10000) - £101¾
British Airways PLC 10% Bds 1998(Br£1000&10000) - £102½ (9De94)
British Gas Intl Finance BV 6¼% Gtd Bds 2003(Br$Vars) - $87⅜ 87⅜ 87½ (13De94)
British Gas PLC 7⅛% Bds 2000 (Br £ Var) - £95¼
British Gas PLC 10⅞% Bds 2001(Br £1000,10000&100000) - £107⅞
British Gas PLC 8⅞% Bds 2008 (Br £ Var) - £96⅛ ¼
British Land Co PLC 12½% Bds 2016 (Br£10000&100000) - £122.13 (13De94)
Bupa Finance PLC 10½% Subord Gtd Bds 2018 (Br £ Var) - £97¼ (14De94)
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £132
Burmah Castrol Capital(Jersey) Ld 9½% Cnv Cap Bds 2006(Br£5000&50000) - £133 (13De94)
Denmark(Kingdom of) 6¾% Nts 1998 (Br £ Var) - £93⅞ɸ
Depfa Finance N.V. 7⅛% Gtd Bds 2003 (Br £ Var) - £87¼ (13De94)
ECC Group PLC 6½% Cnv Bds 2003(Br£1000&10000) - £95½
E.I. Du Pont de Nemours & Co 8½% Nts 1998 (Br $1000&10000) - $100.55 100.6 (14De94)
Far Eastern Department Stores Ld 3% Bds 2001(Reg Integral multi $1000) - $88 88¾ 89½ 90.2
Far Eastern Textile Ld 4% Bds 2006(Br$10000) - $111½
Fuji Bank Ld 1¾% Cnv Bds 2002(Br$5000) - $101.175 (13De94)
GESB PLC 8.35% Gtd Sec Bds 2018 (Br£1000) - £92 (13De94)
Guaranteed Export Finance Corp PLC Gtd Zero Cpn Bds 2000(Br£10000&100000) - £80⅝ (14De94)
Guinness PLC 7⅞% Nts 1997 (Br £ Var) - £97.05 (13De94)
Guinness PLC 10⅝% Nts 1997 (Br £1000 & 10000) - £103⅝ (12De94)
Halifax Building Society 7¾% Nts 1998 (Br £ Var) - £96⅛ (9De94)
Halifax Building Society 8⅞% Nts 1999(Br£Vars) - £97¼ 100⅛
Halifax Building Society 8¾% Nts 1997 (Br£Var) - £100¼
Hanson PLC 9½% Cnv Subord 2006 (Br £Var) - £103⅛ ⅜ (14De94)
Hydro-Quebec 6.50% Debs Sers IK 1998(Reg £ Vars) - £91.14 (13De94)
Inter-American Development Bank 11⅛% Bds 1995(Br £5000) - £101⅝ (14De94)
International Bank for Rec & Dev 9¼% Bds 2007 (Br£5000) - £102 ⅟₁₆ ⅛ .475 (14De94)
International Bank for Rec & Dev 10% Bds 1999(Br£1000&10000) - £103¾ 4
Italy(Republic of) 10½% Bds 2014 (Br£10000&50000) - £107⅝ ⅝
Japan Fin Corp for Municipal Ent. 6⅞% Gtd Bds 2004(Br£1000 & 10000) - £83⅞ (13De94)
Kansai Electric Power Co Inc 7⅛% Nts 1998 (Br £ Var) - £95⅜
Kansai International Airport Co Ld 8% Gtd Bds 2003 (Br $ Var) - $C89½ 89⅞
Kyushu Electric Power Co Inc 8% Nts 1997 (Br £ Var) - £99¼ (13De94)
Land Securities PLC 9½% Bds 2007(Br£1000&10000) - £99½
Land Securities PLC 9⅜% Cnv Bds 2004 (Br£5000&50000) - £107½
Lasmo PLC 9½% Nts 1999 (Br £ Var) - £98
Leeds Permanent Building Society 7½% Nts 1997(Br£Var) - £97¼
Leeds Permanent Building Society 11½% Nts 1996 (Br £5000&100000) - £1.038 (13De94)
Leeds Permanent Building Society Collared FltgRteNts 2003(Reg Multi£1000) - £94¼
Lewis (John) PLC 10½% Bds 2014 (Br£10000&100000) - £109⅞
Lloyds Bank PLC 7⅞% Subord Bds 2004(Br£Various) - £87.155
Lloyds Bank PLC 9⅝% Subord Bds 2023 (Br £ Var) - £99⅞ (12De94)
Lucas Industries PLC 10⅞% Bds 2020 (Br£10000&100000) - £107⅛ (14De94)
Marks & Spencer Finance PLC 7⅞% Gtd Nts 1998 (Br £ Var) - £96
Microtek International Inc 3.5% Bds 2001(Br$10000) - $109¾
Mitsubishi Bank Ld 3½% Cnv Bds 2004(Br$10000) - $102¼ (14De94)
National Grid Co PLC 7⅞% Bds 1998 (Br £ Var) - £96½ (14De94)
National & Provincial Bldg Society 10¼% Subord Bds 2008/11 - £105 (13De94)
National & Provincial Bldg Society Fltg Rate Nts 1999 (Br£10000&100000) - £99.8 (12De94)
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Reg - £105¼ (14De94)
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Br - £105¼ (9De94)
Nationwide Building Society 6⅛% Nts 1999(Br£ Vars) - £88¾ (12De94)
New Sth. Wales Treasury Corp Zero-CpnGtdBds2008 (Br$A1000,10000&100000)- $A31⅞ (13De94)
New Zealand 9⅝% Bds 1995(Br£1000&10000) - £100¼ (14De94)
Nippon Telegraph and Telephone Corp7¾% Nts 1999(Br$1000,10000,100000) - $99.88 (14De94)
Pacific Electric Wire&Cable Co Ld 3¾% Bds 2001(Br$10000) - $118 (9De94)
Pearson Sterling Finance PLC 10¾% Gtd Bds 2002 - £106.9 (12De94)
Pearson Sterling Two PLC 9.5% Gtd Bds 2004(Br£ Vars) - £100½ (13De94)
Peninsular & Oriental Steam Nav Co 11½% Bds 2014 (Br£10000&100000) - £114⅛ .45 ½
PowerGen PLC 8⅞% Bds 2003 (Br £10000&100000) - £97½ .51 ⅞
Prudential Finance BV 9⅛% Gtd Bds 2007 (Br£5000&100000) - £100¼
RMC Capital Ld 8¼% Cnv Cap Bds 2006 (Br £5000&50000) - £127½ (13De94)
Redland Capital PLC 7¼% Cnv Bds 2002(Br£1000&10000) - £100 (12De94)
Redland Sterling Funding PLC 10⅞% Gtd Bds 2001 (Br £Var) - £106⅞ .865
Reed Elsevier Inc 7½% Gtd Bds 1999(Br$ Vars) - $96.275 (13De94)
Rothschilds Continuation Fin(C.I.)Ld9% Perp Subord Gtd Nts (Br£Various) - £81 (12De94)
Royal Bank of Scotland PLC 6⅝% Bds 2004(Br£Vars) - £82⅝
Royal Bank of Scotland PLC 9½% Undated Subord Bds (Br £ Var) - £93 (13De94)
Royal Bank of Scotland PLC 10⅝% Subord Bds 1998 (Br£5000&25000) - £103½ (13De94)
Royal Insurance Hldgs PLC 9⅞% Subord Bds 2003 (Br £ Var) - £97¼ (9De94)
Sainsbury (J.)(Channel Islands)Ld 8½%CnvCapBds 2005(Br £5000&100000) - £121¼ (13De94)
Sincere Navigation Corporation 3.75% Bds 2003 (Br $10000&100000) - $102
Smithkline Beecham Capital PLC 7¾% Gtd Nts 1998 (Br £ Var) - £96⅞ɸ
Smithkline Beecham Capital PLC 8⅛% Gtd Nts 1998 (Br £ Var) - £97¼ɸ
State Bank of New South Wales Ld 7% Bds 1999 (Br $A Var) - $A89⅛ 89¼ (13De94)
Sweden(Kingdom of) 11¼% Bds 1995(Br £5000) - £101⅛ (14De94)
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £98¾
Tate&Lyle IntFin PLC/Tate&Lyle PLC 5¾% T&LIntFnGtdBds 2001(Br) W/WtsT&LPLC - £83¼ (12De94)
Tesco PLC 8¾% Bds 2003(Br£Vars)(FyPd) - £98⅛ ½
Tesco Capital Ld 9% Cnv Cap Bds 2005(Reg £1) - £118½ ½ ¾ ¾ 7 ¼
Thames Water PLC 9½% CnvSubordBds 2006(Br£5000&50000) - £113½ (12De94)
Thames Water Utilities Finance PLC 10½% Gtd Bds 2001 - £106¼ .26
3i International BV 7¾% Gtd Bds 2003 (Br £ Var) - £90⅜ .365
Tokyo Electric Power Co Inc 7⅛% Nts 1998 (Br £ Var) - £95⅞ (12De94)
Tung Ho Steel Enterprise Corp 4% Bds 2001(Br$10000) - $112½ (14De94)
U-Ming Marine Transport Corporation1½% Bds 2001(Reg in Mult $1000) - $105 105½ 106 106.55
Victorian Pblc Athrs Fin Agency 8.25% Gtd Bds 2002 (Br $5000&10000) - $99.8 100¼ (13De94)
Warburg(S.G.) Group PLC 9% Perp Subord Nts (RapNtsBr£) - £84¼ɸ
Woolwich Building Society 11⅝% Subord Nts 2001 - £109¼ (12De94)
Abbey National Treasury Servs PLC Gtd FRN 1998(Br$Vars) - $99.48 (13De94)
Leeds Permanent Building Society £100m Fltg Rte Nts June 1997(Br£100000) - £99.955 (9De94)
New South Wales Treasury Corp $A100m 10½% Nts 7/2/2004 - $A99.06 (14De94)
New Zealand Dairy Board Fin(NZ)Ld$150m Flt Rte Nts April 1999 - $100.05 (13De94)
Sweden(Kingdom of) £800m 7½% Nts 3/12/97 - £97⅝ ½ ⅝
Sweden(Kingdom of) £350m 7⅝% Bds 28/7/2000 - £93⅜ ⅞ (13De94)
Sweden(Kingdom of) $C300m 8% Debt Instruments 12/5/2003 - $C90½ 90.95

Corporation Stocks - Foreign

Nictheroy(City of) 7%gtd Stlg Bds(A-£500,B-£100)A-2⅛% - £98ɸ

Sterling Issues by Overseas Borrowers

Bank of Greece 10¾% Ln Stk 2010(Reg) - £98¾ (12De94)
Denmark(Kingdom of) 13% Ln Stk 2005 - £128¾
European Investment Bank 9% Ln Stk 2001 (Reg) - £100⅝‡ (13De94)
European Investment Bank 9½% Ln Stk 2009 - £105⅞ 6⅛ ⅝
European Investment Bank 11% Ln Stk 2002(Reg) - £111⅝
Iceland(Republic of) 14½% Ln Stk 2016 - £144¼ (12De94)
International Bank for Rec & Dev 9½% Ln Stk 2010(Reg) - £106 (14De94)
International Bank for Rec & Dev 11.5% Ln Stk 2003 - £115⅛ (13De94)
Petroleos Mexicanos 14½% Ln Stk 2006 - £120¾ (12De94)
Spain(Kingdom of) 11¾% Ln Stk 2010(Reg) - £121.2 (13De94)
Sweden(Kingdom of) 9¼% Ln Stk 2014(Reg) - £104½ (14De94)
Sweden(Kingdom of) 13.5% Ln Stk 2010(Reg) - £132⅝ (13De94)

Listed Companies(excluding Investment Trusts)

AAH PLC 4.2% Cum Prf £1 - 58 (14De94)
ABF Investments PLC 5½% Uns Ln Stk 87/2002 50p - 37 8
ABF Investments PLC 7½% Uns Ln Stk 87/2002 50p - 42
API Group PLC 3.85% Cum Prf £1 - 55 (14De94)
ASH Capital Finance(Jersey)Ld 9½% Cnv Cap Bds 2006 (Reg Units 100p) - £83 (14De94)
Aberdeen Trust PLC Wts to sub for Ord - 45 (12De94)
Albert Fisher Group PLC ADR (10:1) - $8¾ (13De94)
Alexanders Hldgs PLC "A"(RstV)Ord 10p - 15
Allied Domecq PLC ADR (1:1) - $8½
Allied Domecq PLC 5½% Cum Prf £1 - 58
Allied Domecq PLC 7½% Cum Prf £1 - 75⅛ (13De94)
Allied Domecq PLC 11¼% Deb Stk 2009 - £121 (13De94)
Allied Domecq PLC 7¾% Uns Ln Stk 93/98 - £94
Allied London Properties PLC 10¾% 1st Mtg Deb Stk 2025 - £110½ ⅝ (13De94)
Allied-Lyons Financial Services PLC6¾% GtdCnvSubordBds2008 RegMulti£1000 - £97¼
Allied-Lyons Financial Services PLC6¾% Gtd Cnv Subord Bds 2008(Br £ Var) - £97½ (13De94)
Alvis PLC 5.5% Cnv Cum Non-Vtg Red Prf £1 - 75 6.7
American Brands Inc Shs of Com Stk $3.125 - $35¼
Ameritech Corp Shs of Com Stk $1 - $40½
Andrews Sykes Group PLC Cnv Prf 50p - 62½ (14De94)
Anglo-Eastern Plantations PLC Warrants to sub for Ord - 42½ (13De94)
Anglo-Eastern Plantations PLC 12½% Uns Ln Stk 95/99 - £102 (14De94)
Armour Trust PLC 10½% Uns Ln Stk 91/96 - £98
Attwoods (Finance) NV 8½p Gtd Red Cnv Prf 5p - 91½ (14De94)
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 - 51 (9De94)
Automated Security(Hldgs) PLC 6% Cnv Cum Red Prf £1 - 39.98 40 ½ .52
B.A.T Industries PLC ADR (2:1) - $13.29 (12De94)
BET PLC ADR (4:1) - $6⅜
BM Group PLC 4.6p (Net) Cnv Cum Red Prf 20p - 61½
BOC Group PLC ADR (1:1) - $11.38
BOC Group PLC 3.5% Cum 2nd Prf £1 - 50
BOC Group PLC 12¼% Uns Ln Stk 2012/17 - £125½ (12De94)
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p - 178
BTR PLC ADR (4:1) - $17.28
Bampton Property Group Ld 7¾% Uns Ln Stk(91/96) - £94
Bank of Ireland(Governor & Co of) Units NCP Stk Srs A £1 & £9 Liquidation - £11⅞ (13De94)
Bank of Ireland(Governor & Co of) Units NCP Stk SrsA Ir£1&Ir£9 Liquidation - I£11.2
Banner Homes Group PLC Ord 10p - 105
Barclays PLC ADR (4:1) - $37.85 (12De94)
Barclays Bank PLC 16% Uns Cap Ln Stk 2002/07 - £134⅛ (13De94)
Bardon Group PLC 7.25p (Net) Cnv Red Prf 25p - 77½ (14De94)
Bardon Group PLC 11.25p Cum Red Prf 2005 10p - 98½ 9½ 100 (12De94)
Barings PLC 8% Cum 2nd Prf £1 - 95
Barings PLC 9¼% Non-Cum Prf £1 - 115¾
Barnato Exploration Ld Ord R0.01 - 180
Barr & Wallace Arnold Trust PLC Ord 25p - 505 (13De94)
Bass PLC ADR (2:1) - $16.23 (9De94)
Bass PLC 10⅜% Deb Stk 2016 - £113 ⅞
Bass PLC 10.65% Deb Stk 96/99 - £103½ (13De94)
Bass PLC 4½% Uns Ln Stk 92/97 - £87
Bass PLC 7¾% Uns Ln Stk 92/97 - £95
Bemrose Corp PLC 7½% Cum Prf £1 - 73 (13De94)
Bergesen d-y AS "B" Non Vtg Shs NK2.5 - NK151.87 2.3 3.28
Birmingham Midshires Building Soc 9⅜% Perm Int Bearing Shs £1000 - £89⅞ ½ ½ ¾ 90
Blackwood Hodge PLC 4.7% Cum Prf £1 - 19 (9De94)
Blackwood Hodge PLC 9% Cum Red Prf £1 - 20½ (13De94)
Blue Circle Industries PLC ADR (1:1) - £2.7913ɸ
Bowthorpe PLC 7% Uns Ln Stk 90/95 - £95 8 (9De94)
Bradford & Bingley Building Society11⅝% Perm Int Bearing Shs £10000 - £115¾
Bradford & Bingley Building Society13% Perm Int Bearing Shs £10000 - £126 ¼
Bradford Property Trust PLC 10½% Cum Prf £1 - 123
Brent International PLC 9% Cum Red Prf £1 - 92 3 (13De94)
Brent Walker Group PLC Wts to Sub for Ord - 0½ (13De94)
Brent Walker Group PLC 8.5% 3rd Non-Cum Cnv Red 2007/10 £1 - 1½
Bristol Water PLC 8¾% Cum Ird Prf £1 - 113¾ (14De94)
Bristol Water Hldgs PLC Ord £1 - £10.2 10.21
Bristol Water Hldgs PLC 8.75% Cum Cnv Red Prf 1998 Shs £1 - 185 (14De94)
Bristol & West Building Society 13⅝% Perm Int Bearing Shs £1000 - £127¼ ½
Britannia Building Society 13% Perm Int Bearing Shs £1000 - £129½ ¾
British Airways PLC ADR (10:1) - $0.000001 58½ ⅞
British-American Tobacco Co Ld 5% Cum Prf Stk £1 - 53 (13De94)
British-American Tobacco Co Ld 6% 2nd Cum Prf Stk £1 - 60 (13De94)
British Mohair Hldgs PLC 6% Red Cum Prf(1995)£1 - 110 (13De94)
British Petroleum Co PLC 9% Cum 2nd Prf £1 - 94
British Steel PLC ADR (10:1) - $24⅝ .9 .91 .95
British Sugar PLC 10¾% Red Deb Stk 2013 - £114⅞ (14De94)
Brixton Estate PLC 11¼% 1st Mtg Deb Stk 2023 - £118 (13De94)
Bulmer(H.P.)Hldgs PLC 8¾% 2nd Cum Prf £1 - 102
Bulmer(H.P.)Hldgs PLC 9½% Cum Prf £1 - 110 (9De94)
Buzzi PLC 7% Cnv Uns Ln Stk 95/97 - £98
Burmah Castrol PLC 6% Cum 1st Prf Stk £1 - 68 (13De94)
Burmah Castrol PLC 7¼% Cum Red Prf £1 - 71 2 2 (14De94)
Burmah Castrol PLC 8% Cum Prf £1 - 76 (9De94)
Burndene Investments PLC 15% Uns Ln Stk 2007/12 - £118 (12De94)
Burton Group PLC 8% Cnv Uns Ln Stk 1996/2001 - £79 ½
Butte Mining PLC 10% (Net) Cnv Cum Red Prf 1994 10p - 2¼ (9De94)
California Energy Co Inc Shs of Com Stk $0.0675 - $15⅝ (12De94)
Cambridge Water Co 13% Red Deb Stk 2004 - £121½ (13De94)
Capital & Counties PLC 9⅞% 1st Mtg Deb Stk 2027 - £104½
Capital & Counties PLC 11¼% 1st Mtg Deb Stk 2021 - £117½
Carclo Engineering Group PLC 10½% Cum Red Prf £1 - 100 (9De94)
Carlisle Group PLC 4.38% (Net) Red Cnv Prf 1998 £1 - 60 (14De94)
Carlton Communications PLC ADR (2:1) - $28¾ 7
Carlton Communications PLC 7½% Cnv Subord Bds 2007(Reg £5000) - £134¾
Caterpillar Inc Shs of Com Stk $1 - £52.52 $ 61¼ (13De94)
Charlwood Alliance Hldgs Ld 8¾% 1st Mtg Deb Stk 95/98 - £96 (12De94)
Charlwood Alliance Hldgs Ld 7½% Uns Ln Stk 50p - 34 (12De94)
Cheam Group PLC 7% Prf £1 - 100
Cheltenham & Gloucester Build Soc 11¾% Perm Int Bearing Shs £50000 - £118.2 ¼
City Site Estates PLC 5.25% Cnv Cum Red Prf £1 - 66½ 7 8 ½
Coats Patons PLC 4½% Uns Ln Stk 2002/07 - £83½ (12De94)
Coats Patons PLC 6¾% Uns Ln Stk 2002/07 - £78 (13De94)
Coats Viyella PLC 4.9% Cum Prf £1 - 64 (13De94)
Cohen(A.) & Co PLC Non.V "A" Ord 20p - 490 500 (9De94)
Commercial Union PLC 8⅞% Cum Ird Prf £1 - 107½
Commercial Union PLC 8¾% Cum Ird Prf £1 - 109¾
Co-Operative Bank PLC 9.25% Non-Cum Ird Prf £1 - 111¾ (13De94)
Cooper (Frederick) PLC 6.5p (Net) Cnv Red Cum Ptg Prf 10p - 86 (12De94)
Courtaulds PLC 5½% Uns Ln Stk 94/96 - £95 ½
Courtaulds Clothing Brands Ld 7½% Cum Prf Stk £1 - 73
Coventry Building Society 12⅛% Perm Interest Bearing Shs £1000 - £115 ¼
Cowie Group PLC 10½% Red Prf £1 - 100
Cropper(James) PLC 9% Uns Ln Stk 94/99 - £98 (9De94)
Daily Mail & General Trust PLC Ord 50p - £13¾
Debenhams PLC 7¼% Uns Ln Stk 2002/07 - £83½
Delta PLC 10¾% Deb Stk 95/99 - £100¾ (14De94)
Development Secs (Investments) PLC 11% 1st Mtg Deb Stk 2016 - £103 (13De94)
Dewhurst PLC Ord 10p - 87 (14De94)
Dominion Energy PLC Ord 5p - 12
East Surrey Water PLC 10% Red Deb Stk 97/99 - £102 (13De94)
Eclipse Blinds PLC Ord 5p - 9¾ ¾ ⅞ 10 ⅛ ¼
El Oro Mining&Exploration Co PLC Ord 10p - 563 (12De94)
Emess PLC 6.25p(Net) Cnv Cum Red Prf 5p - 70ɸ
English China Clays PLC ADR (3:1) - $15.9994 (9De94)
Ericsson(L.M.)(Telefonaktiebolaget)Ser B(Reg)SK10 - SK411.02 .221 ¾ ¾ .965 2 ½ ¾ 3.11 .88 4.59 5 5 .09 ¼ ½ ½ .58 6 .11 .13 .2 ¼ ½ ½ ¾ 7 ½ .79
Essex and Suffolk Water PLC 9⅞% Red Deb Stk 97/99 - £102 (12De94)
Essex and Suffolk Water PLC 11.50% Red Deb Stk 95/97 - £103 (13De94)
Essex and Suffolk Water PLC 11¾% Red Deb Stk 2002/04 - £111½ (13De94)
Euro Disney S.C.A. Shs FR5 (Depository Receipts) - 110 1 2 2 8
Euro Disney S.C.A. Shs FR5 (Br) - FR9.63 .65 .683333 .7 .7 .73 ¾ ¾
Eurotunnel PLC/Eurotunnel SA Units (1 EPLC Ord 40p & 1 ESA FR10) (Br) - FR22.28
Eurotunnel PLC/Eurotunnel SA Units (Sicovam Inscribed) - FR21.85 .9 .98 2.09 ¼
Ex-Lands PLC Warrants to sub for Shs - 20 (13De94)
Exploration Co PLC Ord Stk 5p - 225 (14De94)
Falcon Holdings PLC Ord 5p - 130 (14De94)
First Chicago Corp Com Stk $5 - $46¾ (13De94)
First National Building Society 11¾% Perm Int Bearing Shs £10000 - £102¼
First National Finance Corp PLC 7% Cnv Cum Red Prf £1 - 110 10
Fisons PLC ADR (4:1) - $7⅟₁₆ (14De94)
Fisons PLC 5⅞% Uns Ln Stk 2004/09 - £69
Five Arrows Int Reserves Ld Ptg Red Prf $0.01(Sterling Shs) - £40.974 (14De94)
Five Oaks Investments PLC 7% 2nd Cum Prf £1 - 60 (13De94)
Folkes Group PLC Ord 5p - 42
Forte PLC 9.1% Uns Ln Stk 95/2000 - £99½ (13De94)
Fortnum & Mason PLC Ord Stk £1 - £86 86 (12De94)
Friendly Hotels PLC 4¾% Cnv Cum Red Prf £1 - 77
Friendly Hotels PLC 5% Cnv Cum Red Prf £1 - 117 (14De94)
Friendly Hotels PLC 7% Cnv Cum Red Prf £1 - 92
Frogmore Estates PLC 13.85% 1st Mtg Deb. Stk 2000/03 - £112 (13De94)
GN Great Nordic Ld Shs DK100 - DK470.38 (13De94)
G.T. Chile Growth Fund Ld Ord $0.01 - $31¾
General Accident PLC 7⅞% Cum Ird Prf £1 - 100½ ¾
General Accident PLC 8⅞% Cum Ird Prf £1 - 109¾
General Electric Co PLC ADR (1:1) - $4.15 (13De94)
Gestetner Hldgs PLC Ord Cap 25p - 100 (14De94)
Glaxo Group Ld 6¼% Uns Ln Stk 85/95 50p - 49 (12De94)
Glynwed International PLC 10¾% Uns Ln Stk 94/99 - £100¼ (9De94)
Grand Metropolitan PLC 6¼% Cum Prf £1 - 65 (9De94)
Great Portland Estates PLC 9.5% 1st Mtg Deb Stk 2016 - £103¼ (12De94)
Great Universal Stores PLC 8⅞% Red Uns Ln Stk - £84 (13De94)
Greenalls Group PLC 8% Cum Prf £1 - 105 (13De94)
Greenalls Group PLC 9⅛% Ird Uns Ln Stk - £94 (9De94)
Greenalls Group PLC 7% Cnv Subord Bds 2003 (Reg) - £107⅛ ½
Guardian Media Group PLC PLC 4% Cum Prf £1 - 54 5 (13De94)
Guinness PLC ADR (5:1) - $33.45 ½ .65
Guinness Flight Intl Acc Fund Ld Ptg Red Prf $0.01(Int Prime Bd Fd) - £26.23954 (12De94)
HSBC Hldgs PLC Ord $H10 (Hong Kong Reg) - $H82.733593 3 .091793 .19654 .4 .4 ½ .66
HSBC Hldgs PLC 11.69% Subord Bds 2002 (Reg) - £103 7 8 9½ 10⅛ ⅞
HSBC Hldgs PLC 11.69% Subord Bds 2002 (Br £Var) - £110¼ .26
Halifax Building Society 8¾% Perm Int Bearing Shs £50000 - £88¼ (12De94)
Halifax Building Society 12% Perm Int Bearing Shs £1 (Reg £50000) - £119
Hallin Holdings PLC Ord 5p - 71 2 3
Hammerson PLC Ord 25p - 300 2 7 8 .15 9
Hardys & Hansons PLC Ord 5p - 236 44 (14De94)
Hartlepools Water Co Ord Stk - £1860ɸ
Haslemere Estates PLC 10¼% 1st Mtg Deb Stk 98/2003 - £102½ 3½ (13De94)
Haslemere Estates PLC 10½% 1st Mtg Deb Stk 2016 - £109¼ (13De94)
Hercules Inc Shs of Com Stk of NPV - $111⅛
Hillsdown Hldgs PLC ADR(4:1) - $10.68
Holmes Protection Group Inc Shs of Com Stk $0.25 - $0.31 p 23
Hong Kong Land Hldgs Ld Ord $0.10 (Bermuda Reg) - $H15.15 ⅞ (9De94)
IS Himalayan Fund NV Ord FL0.01 - $16 16¼
Iceland Group PLC Cnv Cum Red Prf 20p - 114½ 6 .44 ½ 7
Illingworth Morris (Saltaire) Ld 4½% Cum 1st Prf £1 - 36 8
Illingworth Morris (Saltaire) Ld 7% Non-Cum Prf 50p - 27½ 9½
Industrial Control Services Grp PLCOrd 10p - 136½ 7½ (13De94)
Intl Stock Exchange of UK&Rep of Ir10½% Mtg Deb Stk 2016 - £107½ (12De94)
Irish Life PLC Ord Ir£0.10 - I£1.8 1.82 1.83 p 179
Jardine Matheson Hldgs Ld Ord $0.25 (Hong Kong Register) - £4.66 $H55.841 .9 .9 .98025 6.231314 ½
Jardine Strategic Hldgs Ld Ord $0.05 (Hong Kong Register) - $3.45 $H26.71 7.258842 .4036 .65 .713987
Johnson Group Cleaners PLC 7.5p (Net) Cnv Cum Red Prf 10p - 127 (12De94)
Korea-Europe Fund Ld Shs(IDR to Br) $0.10 (Cpn 7) - $3812½ɸ
Kvaerner A.S. Free A Shs NK12.50 - NK304.34 7
Ladbroke Group PLC ADR (1:1) - $2.42 (13De94)
Land Securities PLC 6¼% 1st Mtg Deb Stk 93/98 - £93½ (12De94)
Land Securities PLC 9% 1st Mtg Deb Stk 98/2001 - £100½
Lebowa Platinum Mines Ld Ord R0.01 - 69
Leeds & Holbeck Building Society 13⅞% Perm Int Bearing Shs £1000 - £126¾
Leeds Permanent Building Society 13⅝% Perm Int Bearing £50000 - £135
Lewis(John) PLC 5% 1st Cum Prf Stk £1 - 63¾ (12De94)
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 - 59
Lewis(John)Partnership PLC 7½% Cum Prf Stk £1 - 75
Lex Service PLC 6½% Cum Prf £1 - 58 (13De94)
Lister & Co PLC 5% Prf(Cum)£1 - 51
Lonrho PLC ADR (1:1) - $2.34 (13De94)
Lookers PLC 8% Cnv Cum Red Prf £1 - 108½ (13De94)
Lynton PLC 10¼% 1st Mtg Deb Stk 2017 - £107¼ (13De94)
MEPC PLC 10¾% 1st Mtg Deb Stk 2024 - £116¾ɸ
MEPC PLC 8% Uns Ln Stk 2000/05 - £94 (14De94)
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 £1 - 86
McCarthy & Stone PLC 7% Cnv Uns Ln Stk 99/04 - £67 (9De94)
McInerney Properties PLC "A" Ord Ir£01.10 - I£0.055 (9De94)
McKay Securities PLC Cap 20p - 160 (13De94)
Mandarin Oriental International Ld Ord $0.05 (Hong Kong Reg) - $H8.335416ɸ
Mansfield Brewery PLC 11½% Deb Stk 2010 - £117¼ (13De94)
Marks & Spencer PLC ADR (6:1) - $36.28
Marley PLC 11⅞% Deb Stk 2009 - £113 (13De94)
Marston,Thompson & Evershed PLC 10¼% Deb Stk 2012 - £109½ (12De94)
Medeva PLC ADR (4:1) - $10.124683ɸ .249859ɸ .36ɸ
Merchant Retail Group PLC 8¾% Uns Ln Stk 99/04 - £85 (14De94)
Mercury International Inv Trust Ld Ptg Red Prf 1p (Reserve Fund) - £50.2096 (12De94)
Mersey Docks & Harbour Co 6¾% Red Deb Stk 96/99 - £90½ (13De94)
Mersey Docks & Harbour Co 3⅝% Ird Deb Stk - £36 (14De94)
Mid Kent Holdings PLC Warrants to sub for Ord - 10
Mid-Sussex Water Co 10% Red Deb Stk 2013/17 - £106¾ (12De94)
Midland Bank PLC 14% Subord Uns Ln Stk 2002/07 - £122⅞ (12De94)
Molex Inc Shs of Class A Com Stk $0.05 - $29.065 (13De94)
Morgan Sindall PLC 5.825% Cnv Cum Red Prf £1 - 82½
Mount Charlotte Investments PLC 10¼% 1st Mtg Deb Stk 2014 - £105¾ (13De94)
NFC PLC 7¾% Cnv Bds 2007(Reg) - £91 (14De94)
National Medical Enterprises Inc Shs of Com Stk $0.05 - $13 (13De94)
National Power PLC ADR (10:1) - $73.2
National Westminster Bank PLC 9% Non-Cum Stlg Prf Sers "A" £1 - 113½ɸ
National Westminster Bank PLC 12½% Subord Uns Ln Stk 2004 - £119 (14De94)
Newcastle Building Society 12⅝% Perm Interest Bearing Shs £1000 - £117½ɸ
Next PLC 10%"B" Cum Prf 50p - 45 (12De94)
North Housing Association Ld Zero Cpn Ln Stk 2027 - 375 85 (9De94)
North Surrey Water Ld 9½% Red Deb Stk 94/98 - £101 (13De94)
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Reg) - £87½
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Br £ Var) - £85⅞
Northern Rock Building Society 12⅝% Perm Int Bearing Shs £1000 - £119⅞ 20 ¼ ½
Ontario & Quebec Railway Co 5% Perm Deb Stk(Int Gtd by C.P.) - £50 (9De94)
Orbis PLC Ord 10p - 20½ 1½
Pacific Gas & Electric Co Shs of Com Stk $5 - £15⅞
Parkland Group PLC Ord 25p - 159 (9De94)
Paterson Zochonis PLC 10% Cum Prf £1 - 115
Peel Hldgs PLC 10% Cum Prf 50p - 55 (13De94)
Peel Hldgs PLC 5.25% (Net) Cnv Cum Non-Vtg Prf £1 - 78 (14De94)
Peninsular & Oriental Steam Nav Co 5% Cum Pfd Stk - £54 5 (9De94)
Peninsular & Oriental Steam Nav Co 3½% Deb Stk(Perp) - £39 (12De94)
Perkins Foods PLC 8p(Net) Cum Cnv Red Prf 10p - 86 (13De94)
Petrofina S.A. Ord Shs NPV (Br in Denom 1,5 & 10) - BF9236.374545 70 70 5 84 307.006
Pokphand (C.P.) Co Ld Shs $0.05 (Hong Kong Registered) - $H0.0429
Portals Group PLC 6% Cum Prf £1 - 66 (13De94)
Potgietersrust Platinums Ld Ord R0.025 - 475
Powell Duffryn PLC 4¾% Cum Prf 50p - 25
PowerGen PLC ADR (10:1) - £48.36ɸ
Premier Health Group PLC Ord 1p - 1¾
Quarto Group Inc 8.75p(Net) CnvCumRedShs of Pfd Stk $0.10 - 140 (13De94)
R.E.A.Hldgs PLC 9% Cum Prf £1 - 80 (9De94)
RPH Ld 4½% Uns Ln Stk 2004/09 - £33
RPH Ld 9% Uns Ln Stk 99/2004 - £83 7¼
RTZ Corporation PLC 3.825% "A" Cum Prf £1 - 50 (14De94)
Racal Electronics PLC ADR (2:1) - $6⅞ (13De94)
Rank Organisation PLC ADR (2:1) - $13
Reckitt & Colman PLC 5% Cum Prf £1 - 56 (13De94)
Reed International PLC 3.5% (Fmly 5%) Cum Prf £1 - 45
Renold PLC 7⅝% 2nd Deb Stk 92/97 - £98 (12De94)
Rohr Inc Shs of Com Stk $1 - $8⅞ɸ
Rotork PLC 9½% Cum Prf £1 - 104 (14De94)
Royal Bank of Scotland Group PLC 11% Cum Prf £1 - 110 (14De94)
Rugby Group PLC 6% Uns Ln Stk 93/98 - £90¼
SCEcorp Shs of Com Stk of NPV - $9⅝ (14De94)
Saatchi & Saatchi Co PLC ADR (3:1) - $7.15ɸ
Scantronic Hldgs PLC 7.25p (Net) Cnv Cum Red Prf 20p - 47 (9De94)
Scantronic Hldgs PLC 5.75% Cnv Cum Red Prf £1 - 49½ (14De94)
Scholl PLC 8⅞% Cum Red Prf 2001/05 £1 - 98 (13De94)
Scholl PLC 5¼% Cnv Cum Red Prf 2006/11 £1 - 70½
Scottish Metropolitan Property PLC 10⅞% 1st Mtg Deb Stk 2016 - £104½ (14De94)
Scottish & Newcastle PLC 6.425% Cum Prf £1 - 90 (14De94)
Sears PLC 4.9% (Fmly 7%) "A" Cum Prf £1 - 67 (12De94)
Shell Transport&TradingCo PLC Ord Shs (Br) 25p (Cpn 193) - 688 (13De94)
Shell Transport&TradingCo PLC 5½% 1st Prf(Cum)£1 - 58 (12De94)
Shoprite Finance (UK) PLC 7.875p(Net) Cum Red Prf Shs 2000 - 85½
Signet Group PLC ADR (3:1) - $1.02
Simon Engineering PLC 4.2% (Fmly 6%) Cum Prf £1 - 48 9½ (13De94)
Simon Engineering PLC 9¼% Deb Stk 92/97 - £98½ (9De94)
Skipton Building Society 12⅞% Perm Int Bearing Shs £1000 - £121¾
Slingsby(H.C.)PLC Ord 25p - 285
SmithKline Beecham PLC ADR (5:1) - $34.33 (13De94)
SmithKline Beecham PLC/SmithKline ADR (5:1) - £21.16 21.1725 $ 32.8739 ⅞
Stag Furniture Hldgs PLC 11% Cum Prf £1 - 96 (9De94)
Standard Chartered PLC 12⅞% Subord Uns Ln Stk 2002/07 - £114¼
Swire(John) & Sons Ld 6.3% Cum Prf £1 - 100
Symonds Engineering PLC Ord 5p - 32
T & N PLC 11¼% Mtg Deb Stk 95/2000 - £101 (12De94)
THFC (Indexed) Ld 5.65% Index-Linked Stk 2020(5.7018%) - £121 ¼ (12De94)
TSB Group PLC 10⅞% Subord Ln Stk 2008 - £108¾ (14De94)
TSB Offshore Inv Fund Ld Ptg Red Prf 1p(UK Equity Class) - 288.97 (14De94)
TT Group PLC 10.875% Cnv Cum Red Prf Shs £1 1997 - 278 (9De94)
Tate & Lyle PLC 6½%(4.55% plus tax credit)Cum Prf £1 - 66
Taylor Woodrow PLC 9½% 1st Mtg Deb Stk 2014 - £98⅞ (13De94)
TeleWest Communications PLC ADR (10:1) - $27¾ ⅞ .885
Tesco PLC ADR (1:1) - $3.8 (13De94)
Tesco PLC 4% Uns Deep Disc Ln Stk 2006 - £63⅞ (14De94)
Thai Prime Fund Ld Ptg Red Prf $0.01 - $14.8275 15 (14De94)
Thailand International Fund Ld Ptg Shs $0.01 (IDR's to Br) - $28¾ (13De94)
THORN EMI PLC ADR (1:1) - $15.55ɸ
Tootal Group PLC 4¾% Perp Deb Stk - £48
Trafalgar House PLC 7% Uns Deb Stk £1 - 65 (9De94)
Trafalgar House PLC 9½% Uns Ln Stk 2000/05 - £93½
Trafalgar House PLC 10¼% Uns Ln Stk 2001/06 - £99½ɸ
Transatlantic Holdings PLC B 6% Cnv Prf £1 - 91½
Transport Development Group PLC 12½% Uns Ln Stk 2008 - £117⅛ (12De94)
UK Estates PLC 6% Cum Cnv Prf £1 - £0.54 (14De94)
Unigate PLC ADR (1:1) - $5.15 (12De94)
Unigate PLC 6½% Uns Ln Stk 91/96 - £97
Unigroup PLC 7¼% Cum Cnv Red Prf £1 - 75 (12De94)
Unilever PLC ADR (4:1) - $111.186294 (13De94)
Union International Co PLC 6% Cum Prf Stk £1 - 58 (12De94)
Union International Co PLC 7% Cum Prf Stk £1 - 59
Unisys Corp Com Stk $0.01 - $8⅝
Utility Cable PLC Warrants to sub for Ord - 15 (13De94)
Value & Income Trust PLC Warrants 89/94 to sub for Ord - 45
Vaux Group PLC 4½% A Cum Prf £1 - 45 6
Vaux Group PLC 9.875% Deb Stk 2015 - £105¼ (13De94)
Vickers PLC 5% Cum(Tax Free To 30p)Prf Stk £1 - 65 8
Vodafone Group PLC ADR(10:1) - £19.9ɸ $ 30.580348ɸ ⅞ɸ 1⅛ɸ .238958ɸ
Volex Group PLC 4.9% (Fmly 7%) Cum Prf £1 - 70
Waddington(John) PLC 4.2% Cum Prf £1 - 62 (13De94)
Wagon Industrial Hldgs PLC 7.25p (Net) Cnv Ptg Prf 10p - 137 (14De94)
Weller(Thomas) PLC Ord 5p - 31 2½ (13De94)
Warburg (S.G.) Group PLC 7⅝% Cum Prf £1 - 100 (13De94)
Wellcome PLC ADR (1:1) - $10⅝
Wereldhave Property Corp PLC 9.5% 1st Mtg Deb Stk 2015 - £96½ (12De94)
Whitbread PLC 6% 3rd Cum Prf Stk £1 - 61½
Whitbread PLC 7% 3rd Cum Prf Stk £1 - 71 (9De94)
Whitbread PLC 5¾% Ird Uns Ln Stk - £57 (9De94)
Whitbread PLC 7¼% Uns Ln Stk 95/99 - £92½ (12De94)
Whitbread PLC 7¾% Uns Ln Stk 96/2000 - £94 (12De94)
Whitbread PLC 10½% Uns Ln Stk 2000/05 - £107
Whitecroft PLC 5.1% Cum Prf £1 - 60
Widney PLC 8.75% Cnv Cum Red 2nd Prf 2000 £1 - 90
Willis Corroon Group PLC ADR (5:1) - $10.3748ɸ
Woolcombers Group PLC 7½% Cum Prf Stk £1 - 64 (13De94)
Woolcombers Group PLC 6% Cum 2nd Prf Stk £1 - 54 (13De94)
Wyevale Garden Centres PLC 8.5% (Net) Cnv Cum Red Prf £1 - 155
Xerox Corp Com Stk $1 - $93⅝ (14De94)
Yorkshire Chemicals PLC 5% Cum Prf £1 - 58 (13De94)
Yorkshire-Tyne Tees TV Hldgs PLC Wts to sub for Ord - 229
Zambia Consolidated Copper Mines Ld"B" Ord K10 - 210

Investment Trusts

BZW Endowment Fund Ld Redeemable Ord 1p - 102
Baillie Gifford Japan Trust PLC Wts to Sub Ord Shs - 80 1
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord - 96 ½ (12De94)
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord 2005 - 71
Baronsmead Investments Trust PLC Wts to sub for Ord - 25 (12De94)
British Assets Trust PLC Equities Index ULS 2005 10p - 151 (12De94)
Capital Gearing Trust PLC Ord 25p - 450
Fidelity European Values PLC Equity Linked Uns Ln Stk 2001 - 139 (14De94)
Finsbury Smaller Co's Trust PLC Zero Div Prf 25p - 185½
Gartmore British Inc & Gth Tst PLCZero Dividend Prf 10p - 100¼
Gartmore Shared Equity Trust PLC Geared Ord Inc 10p - 84½ 6½
Govett Strategic Inv Trust PLC 9⅞% Deb Stk 2017 - £107¼ (13De94)
HTR Japanese Smaller Co's Trust PLCOrd 25p - 103.45 ½ 4 .05 ½ 5
Investors Capital Trust PLC 7¼% Deb Stk 92/97 - £96½ (12De94)
JF Fledgeling Japan Ld Warrants to sub for Ord - 38 41 ½ (14De94)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p Global Active Fund - £12.71 (13De94)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Active Fund - £13.56
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Liquid Assets Fund - £10 (14De94)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.S. Index Fund - £17.82 17.57 (9De94)
London & St Lawrence Investment PLCOrd 5p - 158 (14De94)
MorganGrenfellLatinAmerCo's Tst PLCWts to sub for Ord - 58ɸ
Murray Income Trust PLC 4.25% Cum Prf £1 - 61 (13De94)
New Throgmorton Trust(1983) PLC 12.6% *Deb Stk 2008* - £122½ (12De94)
New Throgmorton Trust(1983) PLC Zero Cpn Deb Stk 1998 - £72 (12De94)
Northern Indust Improv Trust PLC Ord £1 - 500 (9De94)
Paribas French Investment Trust PLCSers "A" Warrants to sub for Ord - 17 (13De94)
Paribas French Investment Trust PLCSers. "B" Warrants to sub for Ord - 14 (13De94)
Schroder Korea Fund PLC Ord $0.01 (Br) - $13⅝
Scottish Eastern Inv Trust PLC 9¼% Deb Stk 2020 - £106 (13De94)
Scottish Eastern Inv Trust PLC 12⅛% Deb Stk 2012 - £128¼ (13De94)
Scottish Mortgage & Trust PLC 6-12% Stepped Int Deb Stk 2026 - £128
Scottish Mortgage & Trust PLC 8%-14% Stepped Interest Deb Stk 2020 - £146¼
Scottish National Trust PLC 10% Deb Stk 2011 - £105 (9De94)
Securities Trust of Scotland PLC 4½% Cum *Prf Stk* - £46 (13De94)
Wigmore Property Investment Tst PLCWts to Sub for Ord - 19
Witan Investment Co PLC 8½% Deb Stk 2016 - £94¾ (14De94)

USM Appendix

BLP Group PLC 8p (Net) Cnv Cum Red Prf 10p - 87 (9De94)
Eidos PLC Ord 10p - 310
FBD Holdings PLC Ord Ir£0.60 - I£1.86 (14De94)
Gibbs Mew PLC Ord 25p - 438 42 (14De94)
Midland & Scottish Resources PLC Ord 10p - 2 3 (14De94)
Sterling Publishing Group PLC 6% Cnv Cum Red Prf 2000 £1 - 95 (9De94)
Total Systems PLC Ord 5p - 33

Rule 4.2(a)

AMCO Corp Inc Ord 10p - £0.7 0.71 (13De94)
Abercorn Place School PLC Ord 25p - £0.11 (14De94)
Adnams & Co PLC "B" Ord £1 - £27½
Advanced Media Systems PLC Ord £1 - £1.95 (14De94)
African Gold PLC Ord 1p - £0.03 (9De94)
Amalgamated Metal Corp PLC Ord £1 - £1.85 (14De94)
Amalgamated Metal Corp PLC 5.4% Cum Prf £1 - £0.3ɸ
Amalgamated Metal Corp PLC 6% Cum Prf £1 - £0.35 (14De94)
Ann Street Brewery Co Ld Ord £1 - £3.96 (12De94)
Ann Street Brewery Co Ld Cnv Red 2nd Prf £1 - £9 (14De94)
Arfon Properties Ld Ord £1 - £0.095 0.1
Arsenal Football Club PLC Ord £1 - £485 (13De94)
Ascot Hldgs PLC Var Rate Cnv Cum Red Prf 10p - £0.025 0.025
Aston Villa Football Club PLC Ord £5(1 vote) - £95 (14De94)
Azure Group PLC Ord 10p - £0.235 (14De94)
Bournemouth Water PLC 10⅝% Red Deb Stk 1998 - £103⅞ (12De94)
Brakspear(W.H.)& Sons PLC Ord 25p - £2.3 2.4 (14De94)
Brancote Holdings PLC Ord 5p - £0.44
Brookbank Group PLC Ord 10p - £2 (14De94)
Calhaven PLC Ord 5p - £0.1175 (13De94)
Channel Islands Comms (TV) Ld Ord 5p - £0.6 (9De94)
Chartfield Fund Management PLC Ord 10p - £1.55 (14De94)
Church (Charles) Group PLC A Red Prf £1 - £0.35 0.36
Country Gardens PLC Ord 25p - £0.455
Dawson Hldgs PLC Ord 10p - £5½ 5½ 5.52 (12De94)
De Gruchy (Abraham) Co Ltd Ord 20p - £1¼ (12De94)
English Churches Housing Group Ld 2½% Ln Stk - £12 (13De94)
Enlighted Tobacco Co PLC Ord 10p - £0.19
Forestream Ld Ord £1 - £0.54 0.54
Formscan International Group PLC Ord 1p - £0.55 (13De94)
GPA Group PLC Ord $1 - $0.15 (13De94)
Gander Holdings PLC Ord 1p - £0¼ɸ
Golden Rose Communications PLC Ord 1p - £1.42 (9De94)
Graduate Appointments PLC Ord 1p - £0.1 (14De94)
Guernsey Gas Light Co Ld Ord 10p - £1.02
Guernsey Press Co Ld Ord 10p - £2 (12De94)
INVESCO MIM International Ld Japan Income & Growth - £1.849
Independent British Healthcare PLC Ord 25p - £0.8 (14De94)
Kay's Atlas Brewery 5% Cum Prf £10 - £4.9 (13De94)
Labyrinth Group PLC Ord 10p - £0.45 (12De94)
Lancashire Enterprises PLC Ord 5p - £1.77 (9De94)
Lawrie Group PLC Ord £1 - £26 (9De94)
Le Riche's Stores Ld Ord £1 - £3.05
Leisuretime Inns PLC Ord 5p - £0.07 (14De94)
London Fiduciary Trust PLC Ord 1p - £0.0275 0.03 (14De94)
Manchester City Football Club PLC Ord £1 - £12
Mercury Fund Man.(Isle of Man) Mercury Int. Bond Fund - £0.5418 (12De94)
National Parking Corp Ld Ord 10p - £4.6 4.7 (14De94)
Newbury Racecourse PLC Ord £100 - £2650 (13De94)
North West Exploration PLC Ord 1p - 2 (12De94)
Northern Maritime Property Invs Ld Ord 0.1p - £0.46 0.65
Oakhill Enterprises Ld Ord £1 - £0.025 (13De94)
OmniMedia PLC Ord 5p - £0.53ɸ
Pacific Media PLC Ord 1p - 1½
Pan Andean Resources PLC Ord 1p - £0.0625
Perpetual(Jersey) Offshore Emerging Co's - £3.936787
Perpetual(Jersey) Offshore Far Eastern Grwth Fd - £4.4413 (13De94)
Perpetual(Jersey) Offshore UK Growth - £1.77896 1.777254 (14De94)
Rangers Football Club PLC Ord 10p - £0.8 0.9
Rangers Football Club PLC A Deb Stk £1000 - £750 (13De94)
Scottish Pride Hldgs PLC Ord 10p - £0.38 0.4 (14De94)
Select Industries PLC New Ord 7½p (5p Pd) - £0.015
South Green Hldgs PLC Ord 1p - £0.01
Southern Newspapers PLC Ord £1 - £4.4 (13De94)
Southern Vectis PLC Ord 10p - £0.32
Surrey Free Inns Ord £1 - £0.4875 (13De94)
Sutton Harbour Hldgs Ld Ord 25p - £1.38
Tieghur PLC Ord 5p - £0.0225 (14De94)
Tracker Network PLC Ord £1 - £7¼ 7½
Transense Technologies PLC Ord 1p - £1 (9De94)
VDC PLC Ord £1 - £4.21
Voss Net PLC Ord 5p - £1.2 (13De94)
Warburg Asset Management Jersey Mercury Intl Gold & General Fd - $1.77
Wedderburn Securities PLC Ord 5p - £0.11 (13De94)
Weetabix Ld "A" Non.V Ord 25p - £18 18¾
Wentworth International Group PLC Ord 1p - £0.01 (13De94)
Winchester Multi Media PLC Ord 5p - £0.75 (14De94)

RULE 2.1 (a)(v)

Bargains marked in securities (not falling within Rule 2.1 (a)(i)) where the pricipal market is outside the UK and Republic of Ireland .

Air Express Int $24ɸ (14.12)
Allstate Explorations A$1.5076 (9.12)
Altai Corp $27⅝ (12.12)
Anglo-Alpha FL109ɸ109.80 (12.12)
Aust. Foundation Inv A$1.923 (12.12)
Bank of East Asia HK$26.63
Beach Petroleum 5
Boise Cascade Corp $25
Cape Range Oil 24.0 (13.12)
Centaur Mining & Exploration A$0.447984
Churchill Resources 13ɸ (9.12)
City Developments S$7.637523.7.666684
Cons. Resources 32ɸA$0.63504 (12.12)
Forest Laboratories $29.125 (13.12)
High Plains $7.270894ɸ (14.12)
Hysan Development HK$15.706686
Kulim Malaysia 66.0 (13.12)
Oil Search 44.45 (14.12)
Regal Hotels HK$1.5699 (14.12)
Seagull Energy $19.38ɸ19.375ɸ (14.12)
Selangor Coconuts RM4.5161 (14.12)
Selangor Properties RM2.64ɸ2.65716ɸ (9.12)
Singapore Land S$8.295376.8.3644 (9.12)
Storer Communications $K443.24 (13.12)
United Plantations Berhad RM$15.60.376.24 (14.12)
Valiant Consolidated A$0.372066 (12.12)
Walhalla Mining Co 3½ɸ (9.12)
Westfield Minerals 20

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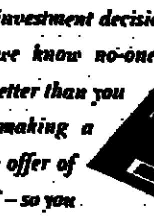

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INVESTORS CHRONICLE
THE CITY INSIDE OUT

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MARKET REPORT

FT-SE surges through 3,000 after futures expiry

By Steve Thompson

The FT-SE 100 Index, which at the start of last week hit a five-month low, rallied with a vengeance yesterday, bursting through the 3,000 level and shrugging aside the government's hammering in the Dudley West by-election.

The main driving force came from the futures market, where the FT-SE 100 December future expired in mid-morning and was followed by a surge of buying interest from investors keen to take a position in the market for the new year.

Aiding the market's strongly positive tone throughout a busy afternoon session was another buoyant showing by Wall Street, where the Dow was up around 20 points shortly after the opening of trading.

The buying in the UK equity market was spread across the whole spectrum, with second-line stocks aggressively bid up from the outset and closing around the day's highs, the FT-SE Mid 250 Index finally resting 23.2 up at 3,437.1. Over the week the Mid 250 has risen 41.3, or 1.3 per cent.

The FT-SE 100 moved in a 60-point arc, dropping 20 points at the opening before spiralling upwards in the wake of the December future's expiry to end a net 40.2 ahead at 3,013.6. Over the week the index gained 36.3, or 1.2 per cent.

The market's resurgence coincided with another relatively high level of turnover in equities. Some 693.6m shares changed hands yesterday, with the top 350 stocks accounting for well over half that figure, well above recent levels of activity. Customer business in the market on Thursday was £1.18bn.

Dealers said the market was always going to open lower, with some market operators said to be keen to see the December FT-SE future expire below the 2,970 level.

And even some of the market's more hard-bitten traders were surprised at the extent of the rout of the Conservatives in the Dudley West by-election, which produced one of the worst results for the Tories for more than 50 years.

The FT-SE 100, after opening 5.5 points off, fell to a day's low of 2,953.2, down 20.2, within the first half-hour of trading and was down some 7 points prior to the expiry of the December future.

Within minutes of the expiry the market embarked on a determined rally, led by some of the current bid favourites. The rise gathered pace for the rest of the session, and all the major indices closed at or around the day's best levels.

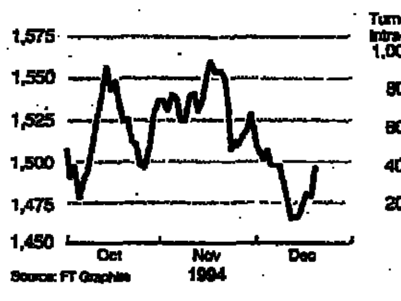
"Triple-witching hour" in the US was said to have gone off without a hitch and markets across Europe drew further strength from Wall Street's latest show of strength, which occurred in spite of higher than expected housing starts. The Dow has now risen in excess of 80 points over the past five sessions.

Dealers also pointed out that the market had effectively ruled out the chances of another interest rate rise in the US after the Federal Open Market Committee meeting next Tuesday.

Marketmakers at the big London trading houses said there was now a strong expectation of a good performance in the short term; "3,100 by December 31 is achievable," said one head of marketmaking. But he cautioned that the market had to keep a weather eye on the political situation in the UK.

The utilities areas continued to provide much of the excitement in the market. Yorkshire Electricity announced a 90p a share "special dividend". And there was a growing feeling in the utilities that the expected burst of merger activity in the recs/waters could very well see some of the recs launch takeovers/mergers in the waters as "poison pills" to ward off bids in the sector. Swiss Bank Corp, which was said to have been accumulating stock in Northern Electric prior to this week's announcement that Trafalgar House may bid for the utility, was reported to have been an aggressive buyer of the electricity sector.

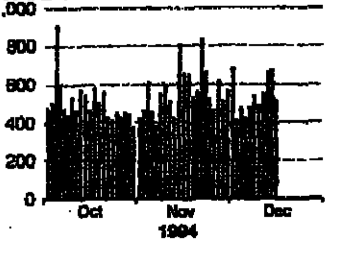
FT-SE-A All-Share Index



Source: FT Graphite

Equity Shares Traded

Turnover by volume (million). Excluding: intra-market business and overseas turnover



■ **Key Indicators**

Indices and ratios		
FT-SE Mid 250	3437.1	+23.2
FT-SE-A 350	1510.7	+17.9
FT-SE-A All-Share	1496.05	+16.45
FT-SE-A All-Share yield	4.10	(4.14)
FT Ordinary index	2314.3	+24.6
FT-SE-A Non Fins p/e	17.77	(17.58)
FT-SE 100 Fut Dec	2970.5	-3.5
10 yr Gilt yield	8.59	(8.58)
Long gilt/equity yld ratio:	2.11	(2.08)

FT-SE 100 Index	
Closing index for Dec 16	3013.6
Change over week	+36.3
Dec 15	2973.4
Dec 14	2980.6
Dec 13	2946.4
Dec 12	2943.4
High*	3013.6
Low*	2938.8

*Intra-day high and low for week

TRADING VOLUME

■ **Major Stocks Yesterday**

	Vol. 000s	Closing price	Day's change		Vol. 000s	Closing price	Day's change
3i	1,800	331	-½	Lonrho	1,500	148½	-½
ASDA Group†	8,300	64		Lucas	2,100	189	+2
Abbey National†	4,900	418	+11	MEPC†	2,400	377	+15
Albert Fisher	1,400	46		MFI	2,800	120	+1½
Allied Domecq†	3,200	552½	+15½	Manweb	548	869	+4
Anglian Water	1,800	499	+9	Marks & Spencer†	7,700	380½	+4½
Argos	330	338	+6	Midlands Elect.	524	826	-6
Argyll Group†	5,000	282	+7	Morrison (Wm.)	264	136	
Arjo Wiggins†	6,000	229	+2	NFC	777	182	+2
Assoc. Brit. Foods†	1,100	563	+6	NatWest Bank†	6,500	504	+6
Assoc. Brit. Ports	184	271	+1	National Power†	3,400	471	+10
BAA†	3,700	489	+5	Next	825	246	+7
BAT Inds.†	8,900	432	+2	North West Water†	1,100	518	+13
BET	1,300	104	+½	Northern Elect.	1,000	985	+1
BICC	503	337	-2	Northern Foods†	1,400	213	+1
BOC†	878	710	+1	Norweb	582	807	+16
BP†	20,000	421½	+7	Pearson†	3,300	585	+8
BPB Inds.	1,800	282		P & O†	2,800	610	+9
BT†	15,000	376	+3½	Pilkington	2,400	161	+2
BTR†	12,000	280½	+4½	PowerGen†	2,200	503	+10
Bank of Scotland†	2,200	207	+3	Prudential†	6,100	313	+8
Barclays†	7,000	604½	+12½	RMC†	673	948	+7
Bass†	2,600	527	+10	RTZ†	5,700	825	+14
Blue Circle†	2,500	272	+7	Racal	1,200	212	+3
Booker	97	402	+1	Rank Org.†	4,100	408	-3
Boots†	2,500	484	-1	Reckitt & Colman†	1,300	585	+10
Bowater†	1,500	420	+1	Redland†	2,000	448	+12
Brit. Aerospace†	1,400	425½	+½	Reed Intl.†	2,100	765	+6
British Airways†	2,900	360	+3½	Rentokil†	1,900	218	-1
British Gas†	21,000	207½	+2½	Reuters†	4,500	483	+5
British Land	1,100	348	+3	Rolls Royce†	2,000	172	+2½
British Steel†	7,900	158½	-½	Ryl Bk Scotland†	2,300	403	+6½
Bunzl	1,000	168	+2½	Royal Insurance†	1,800	281	+2
Burmah Castrol†	836	791	-1	Sainsbury†	4,900	394	+6
Burton	627	68½	+½	Schroders†	153	1418	
Cable & Wire†	8,000	361½	+6½	Scottish & Newc.†	1,800	602½	+11½
Cadbury Schweppes†	3,900	400	+5	Scot. Hydro-Elect.	1,800	326	+1
Caradon†	2,700	254	+14	Scottish Power†	2,500	337	
Carlton Comms.†	1,500	859	+11	Sears†	5,900	105	+2
Coats Viyella	1,200	192	+2	Sedgwick	531	151	+2
Comm. Union†	1,600	527	+17	Seeboard	928	472	+9
Cookson	1,400	239	-1	Severn Trent†	1,500	509	+8
Courtaulds†	2	443½	+½	Shell Transport†	11,000	691	+9½
Dalgety	141	418	+1	Siebe†	1,800	536	-1
De La Rue†	487	955	+21	Slough Ests	788	214	+6
Dixons	2,900	177½	-1½	Smith (W.H.)	400	452	+12
Eastern Elect.†	1,400	787	+1	Smith & Nephew†	3,700	162¼	+¼
East Midland Elect.	431	810	+12	SmKl Beecham†	8,800	454	+9
Electrocomps	531	465	+2	SmKl Beecham Uts.†	9,600	419	+5
Eng China Clays	833	340	-2	Smiths Inds.	104	492	-1
Enterprise Oil†	2,000	384	+5	Southern Elect.†	915	796	+4
Eurotunnel Units	1,000	273	+15	South Wales Elect.	592	851	+16½
FKI	1,000	161	+1	South West Water	1,900	505	+16
Fisons	398	114	+1	South West. Elect.	496	855	-2
Foreign & Col. I.T.	2,900	132½	+1	Southern Water	21	584	
Forte†	2,400	234	+3	Standard Chartd.†	3,200	282	+7
Gen. Accident†	2,600	531	+22	Storehouse	581	215	+1
General Elect.†	6,600	272	+6	Sun Alliance†	3,900	307	+8
Glaxo†	13,000	626	-3	T&N	748	168	
Glynwed	1,000	396	+1	TI Group†	1,000	371	+5
Granada†	2,100	499	+1	TSB†	5,000	236½	+6
Grand Met.†	6,500	395½	+7½	Tarmac	513	120	+2½
GUS†	2,600	524	+2	Tate & Lyle	445	418	+7
GRE†	4,100	160½	+6½	Taylor Woodrow	545	123	+2
GKN†	1,600	587	-5	Tesco†	4,500	237	+3
Guinness†	5,300	440	+10	Thames Water†	2,500	474	+18
HSBC (75p shs)†	3,700	689½	+2½	Thorn EMI†	1,700	1014	+4
Hammerson	110	369	+5	Tomkins†	6,900	214	+6½
Hanson†	14,000	230	+1½	Trafalgar House	1,600	74	+½
Harrisons Crosfield	1,800	144	-1	Unigate	1,200	339	+2
Hays	1,400	289	+1	Unilever†	2,900	1138	+15
Hillsdown	1,400	178	+1	United Biscuits†	1,700	325	+6
IMI	18	318		Utd. Newspapers	813	481	+2
ICI†	2,200	746	+6½	Vodafone†	8,900	200	+2½
Inchcape†	2,700	434	+6	Warburg (SG)†	4,900	713	+14
Johnson Matthey	16	547	+1	Wellcome†	3,700	885	+14
Kingfisher†	4,600	414	+4	Welsh Water	478	624	+4
Kwik Save	206	636	+5	Wessex Water	1,700	283	+10
Ladbroke†	3,100	155½	+3½	Whitbread†	1,100	547	+11
Land Securities†	1,900	586	+22	Williams Hldgs.†	2,600	314	+4
Laporte	370	667	+6	Willis Corroon	340	138	+2
Legal & General†	1,600	430	+6	Wimpey	808	134	+7
Lloyds Abbey	336	320	+5	Wolseley†	625	757	+5
Lloyds Bank†	5,100	555	+8	Yorkshire Elect.	2,400	687	+30
LASMO	4,700	141½	+3½	Yorkshire Water	2,300	492	+3
London Elect	794	743	+5	Zeneca†	2,100	873	+15

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. All trades are rounded. † Indicates an FT-SE 100 Index constituent

EQUITY FUTURES AND OPTIONS TRADING

Stock index futures moved ahead strongly, with the premium to the cash market widening dramatically once the December contract had expired at 10.30am, *writes Jeffrey Brown.*

The FT-SE 100 March contract was at 3,043 at the close of pit trading, up 49 points. The premium to cash equities was 30 points, or 12 points above the middle range of brokers' estimates of fair value.

To some extent the future was bouncing off the uncertainty created by the expiry of the December counter, but activity was low.

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	2965.0	2970.5	-3.5	2975.0	2954.0	6758	n/a
Mar	2985.0	3043.0	+47.0	3048.0	2978.0	19093	n/a
Jun		3053.0	+48.0			0	n/a

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Dec	3410.0	3429.5	+15.0	3410.0	3410.0	160	n/a
Mar	3441.0	3445.0	-	3441.0	3430.0	161	n/a

■ FT-SE MID 250 INDEX FUTURES (OMLX) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	-	3450.0	-	-	-	-	-

All open interest figures are for previous day. † Exact volume shown. Following technical problems at LIFFE open interest figures were unavailable for 100 and 250 LIFFE Index Futures.

■ FT-SE 100 INDEX OPTION (LIFFE) (*3013) £10 per full index point

	2850 C	2850 P	2900 C	2900 P	2950 C	2950 P	3000 C	3000 P	3050 C	3050 P	3100 C	3100 P	3150 C	3150 P	3200 C	3200 P
Dec	120½		70½		20½			29½		79½		129½		179½		229½
Jan	204½	16	161½	22½	125½	37	93	55	63	78½	41	110	24	145½	13½	187½
Feb	224	30½	186½	43½	151½	59½	121½	80	91½	101	68½	128	47½	158½	34	196½
Mar	237	45	200½	58½	166	75	137	95½	108	118	87	147	66½	177	51	212½
Jun†			235½	88½			178½	127½			127	178½			88	238

Calls 9,925 Puts 10,747

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	2775 C	2775 P	2825 C	2825 P	2875 C	2875 P	2925 C	2925 P	2975 C	2975 P	3025 C	3025 P	3075 C	3075 P	3125 C	3125 P
Dec	197		147		97		47			3		53		103		153
Jan	264½	8	219½	13	178	21	128½	31	104½	77	74½	66½	59½	92	32	123½
Feb	285	19	241	24½	203	35½	165½	47½	134	65½	103½	85	80	111	58½	138½
Mar	290½	26½	251	24½	214	35½	188	47½	148½	65½	128½	85	95½	127	74½	155
Jun†			259	69			224	100			167	139½			119	188½

Calls 6,705 Puts 9,667 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

■ EURO STYLE FT-SE MID 250 INDEX OPTION (OMLX) £10 per full index point

3350 3400 3450 3500 3550 3600 3650 3700

Jan 110¾ 48⅝ 82⅝ 70¼ 59⅝ 96¾

Calls 0 Puts 0 Settlement prices and volumes are taken at 4.30pm.

FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 31 1993 based on Friday December 16 1994

Oil, Integrated	+4.53	Consumer Goods	-6.81	Life Assurance	-14.62
Oil Exploration & Prod	+3.82	FT-SE Mid 250 ex IT	-9.09	Diversified Industrials	-15.66
Printing, Paper & Pckg	+3.75	FT-SE Mid 250	-9.34	Water	-15.73
Mineral Extraction	+3.48	Non-Financials	-9.45	FT Gold Mines Index	-16.04
Engineering, Vehicles	+1.83	Gas Distribution	-10.16	Distributors	-16.20
Extractive Industries	+0.38	Gen Manufacturers	-10.95	Transport	-16.20
Electricity	+0.38	FT-SE-A All-Share	-11.06	Textiles & Apparel	-17.32
Leisure & Hotels	-0.53	FT-SE-A 350	-11.29	Household Goods	-17.49
Engineering	-0.99	Investment Trusts	-11.68	Banks	-18.13
Retailers, Food	-2.22	Services	-11.69	Financials	-18.43
Pharmaceuticals	-2.63	FT-SE 100	-11.84	Telecommunications	-19.73
Chemicals	-3.76	Utilities	-12.01	Retailers, General	-20.67
Breweries	-4.34	Spirits, Wines & Ciders	-12.39	Building Materials	-20.74
Media	-6.07	Health Care	-12.83	Insurance	-21.44
FT-SE SmallCap ex IT	-6.49	Electronic & Elect Eqpt	-13.36	Tobacco	-21.95
FT-SE SmallCap	-7.35	Support Services	-14.11	Property	-24.74
Food Manufacturers	-7.84	Merchant Banks	-14.14	Building & Construction	-28.51

FT-SE Actuaries Share Indices — The UK Series

	Dec 16	Day's chge%	Dec 15	Dec 14	Dec 13	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1994 High		1994 Low		Since Compilation High		Since Compilation Low	
FT-SE 100	3013.6	+1.4	2973.4	2980.6	2946.4	3337.1	4.27	7.39	15.99	124.26	1148.54	3520.3	2/2	2876.6	24/6	3520.3	2/2/94	986.9	23/7/84
FT-SE Mid 250	3437.1	+0.7	3413.9	3405.6	3373.2	3691.7	3.71	6.23	19.18	135.63	1293.27	4152.6	3/2	3383.4	27/6	4152.6	3/2/94	1379.4	21/1/86
FT-SE Mid 250 ex Inv Trusts	3438.3	+0.7	3412.0	3405.8	3370.7	3683.9	3.88	6.76	17.81	142.11	1291.11	4180.7	19/1	3362.4	27/6	4180.7	19/1/94	1378.3	21/1/86
FT-SE-A 350	1510.7	+1.2	1492.8	1494.7	1478.3	1661.6	4.15	7.12	16.62	61.70	1178.29	1778.3	2/2	1461.3	24/6	1778.3	2/2/94	664.5	14/1/86
FT-SE SmallCap	1730.98	—	1730.81	1727.68	1728.91	1803.89	3.45	5.11	24.78	55.07	1351.31	2094.98	4/2	1727.68	14/12	2094.98	4/2/94	1363.79	31/12/92
FT-SE SmallCap ex Inv Trusts	1698.77	—	1699.79	1697.06	1698.94	1759.69	3.86	5.70	22.80	57.24	1331.39	2060.72	4/2	1697.06	14/12	2060.72	4/2/94	1363.79	31/12/92
FT-SE-A ALL-SHARE	1496.05	+1.1	1479.60	1481.19	1466.10	1640.17	4.10	6.98	17.02	60.18	1186.72	1784.11	2/2	1445.85	24/6	1784.11	2/2/94	61.92	13/12/74

■ **FT-SE Actuaries All-Share**

	Dec 16	Day's chge%	Dec 15	Dec 14	Dec 13	Year ago	Div. yld%	Earn. yld%	P/E ratio	Xd adj. ytd	Total Return	1994 High		1994 Low		Since Compilation High		Since Compilation Low	
10 MINERAL EXTRACTION(18)	2652.26	+1.5	2613.47	2618.21	2582.21	2456.28	3.59	5.16	24.52	89.83	1070.77	2802.91	5/9	2439.56	31/3	2802.91	5/9/94	980.20	19/2/86
12 Extractive Industries(4)	3730.13	+1.5	3676.76	3700.64	3647.51	3548.20	3.44	5.50	22.48	98.82	1029.30	4107.55	2/2	3647.51	13/12	4107.55	2/2/94	1000.00	31/12/85
15 Oil, Integrated(3)	2628.93	+1.5	2590.38	2593.09	2568.75	2448.41	3.70	5.71	21.79	96.44	1085.84	2762.46	5/9	2349.56	30/3	2762.46	5/9/94	982.30	20/2/86
16 Oil Exploration & Prod(11)	1830.84	+1.5	1803.45	1802.42	1792.26	1800.78	2.68	‡	‡	38.03	1059.29	2098.43	27/4	1784.48	31/3	3844.10	8/6/90	650.20	28/7/86
20 GEN MANUFACTURERS(267)	1800.19	+1.0	1782.78	1783.21	1773.48	1983.02	4.31	5.79	20.70	75.61	924.78	2232.86	2/2	1773.48	13/12	2232.86	2/2/94	986.18	14/1/86
21 Building & Construction(33)	960.93	+1.5	946.46	941.84	945.23	1237.20	4.07	6.07	21.77	37.70	758.46	1589.10	8/2	941.84	14/12	2126.60	16/7/87	938.39	9/9/92
22 Building Matls & Merchs(32)	1730.90	+1.6	1703.64	1702.63	1696.84	2166.61	4.32	5.94	20.28	74.23	823.17	2393.22	24/1	1696.84	13/12	2393.22	24/1/94	954.90	9/9/92
23 Chemicals(23)	2240.40	+0.8	2223.44	2218.14	2198.18	2255.96	4.22	4.81	25.90	94.37	1000.63	2586.42	8/8	2198.18	13/12	2586.42	8/8/94	979.60	14/1/86
24 Diversified Industrials(16)	1708.42	+1.1	1690.20	1695.20	1690.80	1986.56	5.42	8.55	17.72	93.65	884.24	2231.57	2/2	1690.20	15/12	2231.57	2/2/94	984.90	21/1/86
25 Electronic & Elect Equip(34)	1824.09	+2.0	1788.21	1788.58	1785.56	2011.69	4.19	6.93	17.21	62.64	894.58	2263.38	4/2	1785.56	13/12	2263.38	4/2/94	986.80	29/9/86
26 Engineering(71)	1774.81	+0.2	1771.80	1771.38	1752.94	1768.19	3.41	5.54	21.21	80.16	1022.59	2011.17	2/2	1738.85	24/6	2011.17	2/2/94	962.88	10/11/87
27 Engineering, Vehicles(12)	2166.56	+0.1	2164.51	2170.12	2154.80	2862.96	4.63	1.58	80.00†	93.03	1059.94	2518.95	8/8	2095.34	28/6	2518.95	8/8/94	995.60	14/1/86
28 Printing, Paper & Pckg(26)	2702.27	+0.8	2680.64	2680.92	2686.11	2593.75	3.24	5.78	20.14	84.50	1088.66	3045.61	18/3	2621.19	4/1	3045.61	18/3/94	973.39	14/1/86
29 Textiles & Apparel(20)	1501.67	+0.6	1493.22	1491.26	1497.78	1832.41	4.49	6.60	19.67	66.81	859.51	2026.96	4/2	1491.25	14/12	2325.00	2/10/87	988.66	24/9/90
30 CONSUMER GOODS(97)	2743.16	+1.2	2711.22	2710.19	2676.69	2981.47	4.41	7.35	15.78	117.59	951.80	3048.76	24/1	2494.94	24/6	3089.08	22/12/92	987.80	14/1/86
31 Breweries(17)	2194.83	+1.8	2156.91	2160.59	2134.22	2331.95	4.38	8.21	14.70	69.28	986.93	2464.52	19/1	2071.07	24/6	2464.52	19/1/94	992.06	14/1/86
32 Spirits, Wines & Ciders(10)	2695.58	+2.2	2636.62	2637.96	2600.07	2990.09	4.24	7.05	16.37	113.28	911.40	3225.93	24/1	2600.07	13/12	3467.80	11/5/92	987.59	14/1/86
33 Food Manufacturers(28)	2266.99	+1.1	2241.97	2233.21	2215.63	2392.77	4.35	7.78	15.22	100.65	963.16	2690.64	19/1	2098.26	24/6	2690.64	19/1/94	946.10	14/1/86
34 Household Goods(13)	2362.48	+1.2	2333.63	2305.51	2282.16	2734.01	3.86	7.68	15.70	90.45	855.72	2894.14	18/2	2273.87	12/12	2894.14	18/2/94	927.10	21/1/86
36 Health Care(21)	1543.38	+0.2	1541.01	1535.96	1535.37	1729.56	3.28	3.57	38.57	51.92	901.31	1998.13	19/1	1535.37	13/12	2947.49	28/8/87	872.68	21/1/86
37 Pharmaceuticals(12)	3173.43	+0.8	3148.90	3151.28	3103.04	3180.79	4.25	6.78	17.05	133.07	1018.00	3285.91	28/6	2641.70	1/6	4168.90	14/1/92	963.70	13/1/86
38 Tobacco(1)	3624.09	+0.6	3603.11	3611.50	3589.58	4395.84	5.99	9.49	11.32	217.07	826.68	4718.86	7/1	3129.74	24/6	4738.83	29/12/93	992.80	9/1/86
40 SERVICES(218)	1842.33	+0.8	1826.86	1832.73	1821.58	2027.43	3.41	6.94	17.36	64.38	912.56	2207.77	19/1	1821.29	12/12	2207.77	19/1/94	944.99	23/1/86
41 Distributors(30)	2480.63	+0.6	2467.12	2489.14	2486.87	2696.69	3.89	7.45	15.87	92.80	886.63	3319.33	2/2	2458.36	5/10	3319.33	2/2/94	988.50	21/1/86
42 Leisure & Hotels(25)	2067.01	+0.4	2058.75	2059.76	2040.09	2066.34	3.44	5.37	21.79	58.11	1022.16	2360.62	17/2	1994.16	6/7	2360.62	17/2/94	975.49	21/1/86
43 Media(38)	2762.04	+0.8	2740.48	2753.58	2751.45	2862.56	2.56	5.54	21.08	71.49	961.73	3349.11	17/2	2675.11	27/6	3349.11	17/2/94	976.20	9/1/86
44 Retailers, Food(16)	1686.04	+1.4	1663.12	1671.91	1665.24	1742.59	3.90	9.45	12.98	65.24	1017.51	1814.20	18/1	1511.94	25/4	2238.20	28/1/93	917.40	21/1/86
45 Retailers, General(45)	1520.76	+0.9	1507.56	1509.42	1499.42	1814.31	3.52	7.62	16.36	68.66	827.30	1910.67	4/1	1485.20	12/12	1934.24	29/12/93	870.10	9/12/88
46 Support Services(41)	1441.35	+0.1	1440.50	1443.44	1441.14	1627.48	2.98	6.81	17.30	41.80	881.97	1866.43	2/2	1440.50	15/12	1866.43	2/2/94	939.80	1/2/91
49 Transport(16)	2188.09	+1.3	2160.06	2168.97	2133.97	2525.89	3.90	6.37	18.48	72.24	864.24	2805.96	3/2	2133.97	13/12	2805.96	3/2/94	969.00	14/1/86
51 Other Services & Business(6)	1220.84	—	1221.22	1217.49	1216.47	1136.67	3.65	3.96	35.18	38.11	1059.27	1369.58	10/2	1130.62	21/4	2458.39	16/7/87	983.19	14/1/86
60 UTILITIES(36)	2358.96	+1.0	2336.17	2333.95	2284.79	2691.84	4.61	8.04	15.12	105.72	921.15	2782.33	2/2	2100.92	24/6	2782.33	2/2/94	892.58	3/10/86
62 Electricity(17)	2505.44	+0.5	2491.79	2483.42	2400.28	2485.75	3.88	9.93	12.04	131.26	1062.30	2754.74	30/8	2024.12	24/6	2754.74	30/8/94	985.30	7/1/91
64 Gas Distribution(2)	2033.44	+0.8	2017.94	1999.12	1977.11	2361.11	5.86	‡	‡	119.82	955.08	2369.77	7/1	1984.20	24/6	2379.39	16/12/93	894.90	9/12/86
66 Telecommunications(4)	1930.19	+1.2	1907.54	1912.32	1891.85	2376.43	4.40	8.13	14.96	57.29	826.14	2450.42	2/2	1894.88	1/6	2461.29	29/12/93	882.90	3/10/86
68 Water(13)	1755.14	+2.0	1720.44	1733.30	1676.53	2088.60	5.70	14.00	7.77	99.86	892.62	2126.79	3/2	1598.71	27/6	2126.79	3/2/94	934.70	1/5/90
69 NON-FINANCIALS(639)	1614.50	+1.1	1597.83	1598.99	1582.40	1746.23	4.08	6.75	17.77	64.69	1151.00	1870.36	2/2	1582.80	24/6	1870.36	2/2/94	63.49	13/12/74
70 FINANCIALS(104)	2132.07	+1.6	2098.43	2106.77	2083.21	2504.07	4.53	9.35	12.40	95.79	880.99	2737.13	4/2	2084.74	24/6	2737.13	4/2/94	972.20	23/1/86
71 Banks(10)	2831.74	+1.4	2791.97	2785.09	2758.22	3257.52	4.29	10.33	11.10	120.90	832.78	3601.55	4/2	2815.77	8/7	3601.55	4/2/94	959.60	23/1/86
73 Insurance(17)	1192.35	+2.6	1162.37	1171.23	1139.76	1476.39	5.36	10.24	11.14	63.13	824.45	1593.81	24/1	1138.79	12/12	1624.20	29/12/88	879.90	25/9/92
74 Life Assurance(6)	2323.93	+2.0	2278.19	2307.47	2283.15	2841.26	5.50	8.02	15.21	127.82	899.39	2921.37	19/1	2189.61	1/6	2921.37	19/1/94	987.79	23/1/86
75 Merchant Banks(6)	2930.28	+0.6	2912.02	3080.97	3080.19	3304.28	3.55	9.51	13.24	103.78	880.98	3761.29	2/2	2592.82	4/10	3761.29	2/2/94	982.80	27/1/86
77 Other Financial(24)	1810.80	+0.2	1806.95	1813.31	1817.27	1867.81	4.04	8.71	13.78	70.54	974.85	2279.35	4/2	1782.83	4/7	2279.35	4/2/94	856.30	1/10/90
79 Property(41)	1330.93	+2.1	1323.49	1322.74	1315.79	1608.02	4.56	4.94	25.23	59.87	783.00	1808.86	4/2	1315.79	13/12	2132.49	5/9/89	718.40	16/9/92
80 INVESTMENT TRUSTS(124)	2675.55	+0.3	2668.68	2657.07	2646.97	2698.84	2.38	1.98	60.21	61.14	902.36	3194.91	2/2	2618.98	27/6	3194.31	2/2/94	977.20	14/1/86
89 FT-SE-A ALL-SHARE(804)	1496.05	+1.1	1479.60	1481.19	1466.10	1640.17	4.10	6.98	17.02	60.18	1186.72	1784.11	2/2	1445.85	24/6	1784.11	2/2/94	61.92	13/12/74

■ **Hourly movements**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	2967.9	2957.2	2986.0	2994.0	3004.4	3001.4	3001.2	3004.0	3013.2	3013.6	2953.2
FT-SE Mid 250	3414.1	3411.6	3421.4	3429.0	3432.0	3433.5	3433.3	3434.7	3436.2	3437.4	3411.4
FT-SE-A 350	1490.7	1488.3	1490.7	1502.2	1506.5	1505.6	1505.5	1506.7	1510.4	1510.7	1484.7

Time of FT-SE 100 High: 4.26pm Low: 8.52am

■ **FT-SE Actuaries 350 Industry baskets**

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	889.5	889.8	896.0	901.2	902.0	901.5	901.5	904.3	905.1	906.5	888.4	+18.1
Pharmaceuticls	3118.1	3107.0	3122.2	3132.9	3148.7	3138.6	3132.2	3123.2	3147.1	3150.0	3123.2	+26.8
Water	1713.8	1713.6	1734.5	1741.8	1741.8	1743.3	1744.0	1743.9	1758.2	1752.0	1716.8	+35.2
Banks	2818.6	2813.9	2829.6	2851.5	2857.0	2855.3	2856.5	2860.0	2867.1	2867.9	2827.5	+40.4

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
FT-SE Total Return Indices	31/12/92	1000.00	FT-SE Mid 250 ex Inv Trusts	31/12/85	1412.60	Water	29/12/89	1000.00	UK Gilts Indices	31/12/75	100.00
FT-SE SmallCap	31/12/92	1363.79	FT-SE-A 350	31/12/85	682.94	Non-Financials	10/4/62	100.00	Index-Linked	30/4/82	100.00
FT-SE SmallCap ex Inv Trs	31/12/92	1363.79	FT-SE 100	31/12/83	1000.00	FT-SE-A All-Share	10/4/62	100.00	Debs and Loans	31/12/77	100.00
FT-SE Mid 250	31/12/85	1412.60	Electricity	31/12/90	1000.00	All Other	31/12/85	1000.00			

The FT-SE 100, the FT-SE Mid 250 and the FT-SE Actuaries 350 Indices are compiled by the London Stock Exchange and the FT-SE Actuaries All-Share Index and the FT-SE SmallCap Index are compiled by The Financial Times Limited, both in conjunction with the Institute of Actuaries and the Faculty of Actuaries under a standard set of ground rules. © The International Stock Exchange of the United Kingdom and Republic of Ireland Limited 1994. © The Financial Times Limited 1994. All rights reserved. "FT-SE" and "Footsie" are joint trade marks and service marks of the London Stock Exchange and The Financial Times Limited. Auditor: The WM Company. † Sector P/E ratios greater than 80 are not shown. ‡ Values are negative. The Oil Exploration & Production Total Returns Index base value is 1047.38 as at 31/12/93. NAME CHANGE: Tiphook is now Central Trans. Rental (49) and Cannon Street Invests is now Sotiba (24).

Imigran talk hits Glaxo

Pharmaceuticals group Glaxo failed to benefit from yesterday's market rally as a letter in one medical journal over one of its key drugs lowered the temperature.

The Lancet letter related to Imigran, the anti-migraine treatment. It examined data that had been discussed before and did little more than continue an academic debate.

But it came at a time when the leading pharmaceuticals companies are awaiting approval for some of their products in the US – the Food and Drug Administration tends to try and clear its books at the end of the year. Glaxo could win long-awaited approval for an oral version of Imigran.

The shares were off 10 at worst, but there was reassurance from some more seasoned analysts, combined with news of a senior company appointment, that aided sentiment – Glaxo said it had appointed Dr James Niedel as its global research and development director. An additional boost from US buying late in the afternoon helped the stock to finish only 3 lower on the day at 626p. Turnover reached a heavy 13m shares.

Recs spark up

Bid speculation drove the utilities forward, with the latest twist being talk that some leading regional electricity companies (recs) may seek to protect themselves by bidding for water companies. The government's golden share in the water companies expires at the end of this year.

Meanwhile, Yorkshire Electricity took the market by surprise with the timing of a special 90p dividend. Market watchers had predicted that the distributor would follow East Midlands Electricity in paying a special dividend, but the move was not expected until some time in the new year.

The group also reported a 32 per cent increase in half-time profits to £97.6m and a 15 per cent rise in the dividend. The shares climbed 30 to 687p ex-dividend. Mr Nigel Hawkins at Hoare Govett said: "Yorkshire's sector rating is likely to improve following the reassertion of shareholder value and impressive interim results."

Yorkshire has been mentioned as a possible "white knight" for Northern, for which Trafalgar House has said it is considering a bid, but several brokers said the group could itself be a bid target. US broker Salomon Brothers was said to have taken this view.

East Midlands, which reports figures on Monday, jumped 12 to 810p, and Northern finished a penny ahead at 985p. Trafalgar edged ½ forward to 74p.

Merchant bank S.G. Warburg recovered from the shock of rejection as the market looked ahead to the next contender to replace Morgan Stanley, of the US.

The US investment bank was not prepared to pay above the odds for Mercury Asset Management (MAM), Warburg's 75 per cent-owned fund arm. And after the market closed yesterday, Warburg said it was not soliciting other approaches. However, analysts are convinced that change will come, and while the shares were off their best by the close they were still up 14 at 713p.

MAM, revealed as the ambition of Morgan Stanley's affections, jumped 46 to to 724p.

Insurance issues, which are big investors in equities and thus geared to outperform a rising market, moved ahead sharply. They were further boosted by an enthusiastic recommendation and the hope factor now in the FT-SE 100.

Credit Lyonnais Laing removed its cautious stance on the sector in a note published yesterday. Specifically it took Sun Alliance off the sell list and the stock rose 8 to 307p.

Laing's change of heart is part of a market-wide review of the sector that concentrates on recent slides in the stocks rather than fundamental considerations. Earlier in the week UBS argued that the sector was undervalued and focused on General Accident. Yesterday GenAcc, helped by pressure from short positions in the market, rose 22 to 531p. Commercial Union moved forward 17 to 527p.

News of Vickers' choice of partner for its Rolls-Royce Motor Cars division could emerge early next week following a meeting between the company analysts on Monday. Vickers was unchanged at 177p in nominal turnover.

Best bets in the City point to a straight race between the two German groups, BMW and Daimler-Benz. The former has existing links with Rolls-Royce, but on Friday the informed money was leaning more towards Daimler.

Caradon was the star of the construction sectors, surging 14 to 240p in 2.3m turnover following the recent buy recommendation from UBS. The stock has rebounded almost 10 per cent this week.

Barratt Development and Beazer kept the recent recovery in the housebuilders ticking over, with Barratt up 6 at 156p, and Beazer adding 2½ at 131p in 2.4m turnover.

Oil majors BP and Shell Transport rose on heavy turnover that reflected the expiry of the FT-SE 100 December contract. The removal of pressure in the derivatives market sent BP 7 higher to 421½p with 20m traded and Shell up 9½ to 691p on turnover of 11m.

However, the heaviest traded stock of the day was British Gas, the shares ignoring popular criticism over the company's disparate pay policy and rising 2¼ to 207¼ with 21m shares changing hands.

Channel tunnel operator Eurotunnel bounced 15 to 273p on optimism over the car shuttle service, which was priced yesterday.

Boosted by early morning futures activity the heavily traded telecoms sector notched up big volumes but limited price movements. BT traded 15m shares to rise 3¼ to 376p and Cable and Wireless added 6¼ at 361¼p in 7.7m turnover. Vodafone was 2¼ higher at 200p in 8.9m turnover.

Land Securities jumped 22 to 586p after announcing the £76.5m sale of the lease on the Milton Gate building in London. The sale was to A.P. Fonden, the national Swedish pension fund.

News of a 49 per cent acquisition in a Mexican sugar cane business saw shares in Tate & Lyle harden 7 to 418p.

Shares in Dixons eased a 1¼ to 177¼p in trade of 3m as the market digested the Office of Fair Trading's report into the sale of extended warranties on electrical goods.

NEW HIGHS AND LOWS FOR 1994

NEW HIGHS (21).
BUILDING & CNSTRN (1) Andrews Sykes, DISTRIBUTORS (2) Adam & Harvey, Wilshaw, ELECTRICITY (2) Seeboard, South Wales, ELECTRNC & ELECT EQUP (2) Fairey, VideoLogic, ENGINEERING (1) Vinten, EXTRACTIVE INDS (1) Reunion Mining, INVESTMENT TRUSTS (6) LEISURE & HOTELS (1) Chrysalis, MEDIA (1) Metal Bulletin, OIL EXPLORATION & PROD (1) Aran Energy, PHARMACEUTICALS (1) Zeneca, PRTNG, PAPER & PACKG (1) Portals, AMERICANS (1) CPC Intl.

NEW LOWS (93).
GILTS (1) OTHER FIXED INTEREST (1) Ireland Cap. 8¾pc Ln. 2010, BREWERIES (1) Morland, BUILDING & CNSTRN (5) AMEC, Do 6½p Prf., Crest Nichol, Persimmon, Wilson Bowden, BLDG MATLS & MCHTS (5) Bardon, Blue Circle 7¾pc Prf., Lafarge Coppee, Ruberoid, Spring Ram, CHEMICALS (1) Manders, DISTRIBUTORS (9) Appleyard, Charles Sidney, Diploma, Gardiner, Lex Service, DIVERSIFIED INDLS (2) BTR Wts. 1997, Staveley, ELECTRNC & ELECT EQUP (1) Pacer Systems, ENGINEERING (3) APV, Ferrum, SKF AB, ENG, VEHICLES (1) Mid-States, EXTRACTIVE INDS (1) GM Kalgoorlie, FOOD MANUF (1) Cadbury Schweppes, HEALTH CARE (1) Amersham Intl., HOUSEHOLD GOODS (3) Airsprung Furniture, Jeyes, Tomkinsons, INVESTMENT TRUSTS (13) INVESTMENT COMPANIES (4) MEDIA (7) News Intl. Special Div., Osprey, Pearson, Portsmouth & Sunderland, Sterling, Tele-Cine Cell, United Newspapers, OIL EXPLORATION & PROD (4) Beach, Evergreen, Schlumberger, Sibling, OIL, INTEGRATED (1) Burmah Castrol, OTHER FINANCIAL (3) Christie, Policy Portfolio, OTHER SERVS & BUSNS (2) Leigh Interests, Waste Management Intl., PHARMACEUTICALS (1) Huntingdon Intl., PRTNG, PAPER & PACKG (3) Arjo Wiggins Appleton, Britton, Clondalkin, PROPERTY (11) Bilton, Birkby, Bourne End, Bradford, British Land, Do 6pc Bd., Do 8¾pc Prf., Daejan, Great Portland, Power, Slough 8¼p Prf., RETAILERS, GENERAL (8) Asprey, Brown & Jackson, Essex Furniture, Kingfisher, MFI, Rhino, SUPPORT SERVS (2) MR Data Management, Stat-Plus, TELECOMMUNICATIONS (1) Cable & Wireless, TEXTILES & APPAREL (1) Baird (W), AMERICANS (2) Hasbro, Ingersoll-Rand, CANADIANS (1) BC Gas.

■ **CHIEF PRICE CHANGES YESTERDAY**

London (Pence)

Rises		
Andrews Sykes	132	+ 5
Caradon	254	+ 14
Copymore	180	+ 10
Courtaulds Text	435	+ 16
Danka Business	324	+ 24
Dorling Kind	313	+ 11
Eurotunnel Uts	273	+ 15
Johnson Fry Hld	131	+ 10
Land Securities	586	+ 22
MEPC	377	+ 15
Mercury Asset	724	+ 46
Northumbrn Wtr	723	+ 15
Rothmans Uts	470½	+ 23½
Utd Carriers	92	+ 9
VideoLogic	63	+ 4
Warburg (SG)	713	+ 14
Wimpey (G)	134	+ 7
Falls		
Flextech	430	- 24
Haemocell	23	- 3
Huntingdon Int	20	- 23
Proteus	170	- 25
Sterling Publ	104	- 6

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FINANCIAL TIMES
Newsletters

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

½ hour period ending	Provisional Prices for Trading on 17.12.94: Pool purchase price £/MWh	Final Prices for Trading on 18.11.94: Pool purchase price £/MWh	Pool selling price £/MWh
0030	9.26	9.23	9.23
0100	39.30	9.44	13.89
0130	39.30	9.44	13.89
0200	39.30	9.44	13.89
0230	18.45	9.22	9.22
0300	9.86	8.23	8.23
0330	9.86	8.21	8.21
0400	9.12	8.18	8.18
0430	9.08	8.12	8.12
0500	9.01	8.12	8.12
0530	25.79	8.18	8.18
0600	10.00	8.19	8.19
0630	25.79	8.19	8.19
0700	25.79	8.19	8.19
0730	25.79	9.22	9.22
0800	27.54	9.23	9.23
0830	36.35	9.85	14.30
0900	33.49	10.38	14.83
0930	36.35	27.68	32.13
1000	36.42	31.06	35.51
1030	54.39	33.86	38.31
1100	54.39	33.86	38.31
1130	36.42	33.86	38.31
1200	36.42	31.06	35.51
1230	36.42	27.68	32.13
1300	36.42	27.68	32.13
1330	33.49	17.87	22.32
1400	33.49	10.38	14.83
1430	32.59	10.38	14.83
1500	10.05	9.25	9.25
1530	10.05	9.23	9.23
1600	36.35	10.38	14.83
1630	36.85	31.27	35.72
1700	43.02	36.60	41.05
1730	53.75	48.00	52.45
1800	58.75	48.00	52.45
1830	53.70	44.60	49.05
1900	43.95	42.10	46.55
1930	43.95	37.43	41.88
2000	36.84	27.00	31.45
2030	36.22	31.27	35.72
2100	27.64	10.38	14.83
2130	27.54	10.33	14.78
2200	27.54	9.23	9.23
2230	25.72	9.22	9.22
2300	9.26	9.21	9.21
2330	9.08	8.20	8.20
2400	9.08	8.20	8.20

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £19.66/MWh becomes 1.966p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreement which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone [illegible] between 8:30am and [illegible] Monday to Friday.
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FINANCIAL TIMES

LONDON SHARE SERVICE

BANKS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
ABN Amro Fl	□	£22⅛	.....	£22⅝	£19⅝	4,731	6.0	♦
ANZ A$		202	—	270¾	171	2,880	6.1	♦
Abbey National	†N□	416	+11	523	380½	5,484	4.7	14.1
Allied Irish I£	♣†N□	262	+3	314	233	1,879	8.0	9.7
Anglo Irish I£	N□	54xd	—	*70	50	105.0	8.2	♦
Asahi Y	□	718¼	-6	839¾	628	16,086	0.6	♦
Banco Bil Viz Pta	□	£16⅝	-⅛	£17	£14⅛	3,842	5.9	7.4
Banco Sant Pta		£24⅜	—	*£29½	£22⅛	3,721	5.8	8.6
Bk Ireland I£	†N□	287xd	+1	*328	246	1,361	5.0	8.3
Bank Scotland	♣†N□	287xd	+3	267	172½	2,417	3.2	11.7
9¼pc Pf		117¼	-¾	141½	106	117.2	9.9	-
9¾pc Pf		123	-¾	148½	111¼	123.0	9.9	-
Barclays	♣†N□	584½	+12½	649	487	9,363	3.4	18.6
Dai Ichi Kan Y	□	211⅝	—	£12⅞	210⅝	36,479	0.5	-
Deutsche DM	□	£292⅞	-⅞	£344⅝	£270⅝	13,857	2.3	-
Espirito Santo	□	59⅝	—	*£13⅝	£7⅝	174.6	4.7	4.1
First Nat Fin	N□	59	—	*90	59	66.6	3.2	-
6.3pc Cv Pf		66xd	—	*99	63	4.57	11.6	-
7pc Cv Pf		111xd	—	171	110	82.7	7.9	-
Fuji Bank Y	□	1387	+26¼	1549¼	1152½	38,687	0.4	♦
HSBC HK	†N□	880	+1	1133	664	12,183	4.4	10.0
HSBC (75p Shs)	†N□	868½	+2½	1113	660	1,595	4.4	10.1
Irish Permanent	♣N□	226	—	226	205	771.3	5.3	7.8
Lloyds	†N□	556	+9	608	519	7,186	5.2	10.9
Mitsubishi Y	□	£15⅞	-⅛	£18⅞	£13⅞	43,780	0.4	♦
Mits Tst & Bk Y	□	839	+13¾	1162¼	887½	11,023	0.8	14.5
Mitsui Tst & Bk Y	□	645¼	+19	879	514	7,731	0.8	21.6
Nat Aust A$		540	+11	620¼	472	7,335	6.7	♦
NatWest	†N□	504	+8	602	421	8,643	4.8	9.4
Ottomane FFr		£21½	—	£33	£21	107.5	0.8	♦
Ryl Bk Scotland	♣†N□	403xd	+6½	528	377½	3,328	4.5	9.8
Sakura Y	□	£9⅝	+⅛	£9⅞	£9⅛	28,166	0.6	52.2
Sanwa Y	□	£12⅜	+⅛	£13⅛	£11⅜	36,135	0.5	-
Standard Chartd	†N□	282	+7	*388¼	223	2,718	2.8	9.7
7 3/8pc Pf		84¼	+¼	108½	82¼	84.2	8.8	-
Sumitomo Y	□	£11⅛	—	£16⅞	£10⅞	38,617	0.5	-
Sumitomo Tst Y	□	848	+18	1146½	825	10,540	0.6	♦
TSB	†N□	236½	+6	261	187	3,620	4.3	11.9
Tokai Y	□	£7⅞	—	£9	£6⅞	15,570	0.6	47.6
Toyo Tst & Bk Y	□	668	+½	852	668¼	5,177	0.8	57.8
Westpac A$		226¼	-4	280	194	4,019	2.6	♦
Yasuda Tst Bk Y	‡□	498¼	+5	695	442	5,488	1.0	43.1

BREWERIES

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Ascot Hldgs	□	1½	—	10¼	1½	8.57	-	-
Bass	♣N□	527	+10	619	485	4,600	5.1	12.9
Boddington	†N□	254	+2	286	246	369.1	4.1	13.7
Burtonwood	†N	177xd	—	186	186	38.8	3.8	14.8
Eldridge Pope A	♣N	180	—	181	142	31.2	3.3	♦
Fosters A$		58	+1	68	46¼	1,882	5.3	♦
Fuller STA	♣†N	345	—	493	345	70.4	2.9	14.2
Gibbs Mew	♣N	440	—	*606	348½	47.1	2.5	15.8
Greenalls	♣N□	444	+7	511	388	926.4	3.8	21.6
Greene King	†N□	585	+1	594	452	217.6	3.2	14.2
Grosvenor Inns	♣N	140	—	*185	124	18.6	4.2	20.2
Holt (J)	†N	3413	—	3773	3125	165.8	1.8	18.8
Kirin Y		665¼	+½	824¼	665½	7,328	0.9	28.8
Mansfield	†N	236	—	245	195	151.5	2.5	14.3
Marston Thomp	†N□	280xd	+7	314	258	288.1	2.5	14.5
Morland	N	490xd	-2	545	458	101.1	2.9	♦
Paramount	♣gN□	7	-¼	*10¼	6½	7.04	3.6	-
Regent Inns	♣N	298	—	303	208	42.9	2.3	22.9
Scott & New	†N□	582½	+11½	*591	477	2,683	4.4	14.2
United Breweries	♣□	6⅛r	—	9	3	18.2	-	-
Vaux	♣N□	226	+1	308	225	315.5	5.6	13.9
Wetherspoon (J.D.)	N□	434xd	—	*439	324½	157.5	1.9	23.9
Whitbread	†N□	547xd	+17	617	494	2,660	4.4	14.9
Wolv & Dudley	♣N□	515xd	+1	599	493	362.5	3.4	13.8
Yates Bros	⊥□	180xd	—	194	148	73.9	2.0	23.2
Young A	N	495xd	—	536	485	13.5	4.0	19.7
N/V	N	495xd	—	495	405	23.1	4.6	17.1

BUILDING & CONSTRUCTION

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
AAF Inds	□	34	—	*68	31	7.82	-	-
Abbey I£		130	—	206	130	58.4	6.0	9.5
Allen	♣†N	181xd	—	280	148	82.1	4.3	19.1
AMEC	N□	66½xd	-1½	164	64½	132.4	5.7	37.8
6½p Cv Pf		75½	—	120½	74	138.4	11.0	-
Amey	♣L♣N□	161	—	176	160	46.0	5.5	29.2
Andrews Sykes	N□	132	+5	132	47	18.8	-	-
Ashtead	♣N□	410	+7	462	333	123.4	1.7	25.9
Avonside	♣†N□	104	—	191	101	45.2	5.3	12.2
Bailey (B)	♣N	34	—	41	26	3.56	2.6	20.8
Ball (AN)	□	23	—	43	23	2.89	5.4	-
Banner Homes	♣†N□	107xd	-1	*177	107	17.4	2.0	17.9
Barcom	♣N□	38	—	68	18½	7.18	-	-
Baris	♣N	33	-2	46	28	2.34	-	-
Barratt Devs	N□	186	+6	292	139	284.2	4.8	12.1
Beazer Homes	♣N□	131	+2½	189	122½	367.9	5.2	10.3
Bellway	♣N□	182xd	+1	*304	179	178.8	4.6	♦
Bellwinch	♣N□	32	+1	59	31	14.4	-	30.1
Berkeley	†N□	328	+2	*373	326	264.2	2.8	13.5
Bett Bros	N	179xd	—	215	118	28.9	3.1	5.5
Bison	N□	28	—	41½	19½	38.2	-	-
Boot (H)	†N	218	—	355	210	66.9	3.8	10.7
Brandon Hire	♣N	83	—	86	35	12.3	2.3	-
Britannia	ZN	34	—	63	34	7.75	1.8	-
BB & EA	♣N	106xd	—	226	150	17.9	6.2	18.8
Bryant	♣gN□	123	+1	197½	118	342.1	5.1	13.8
CALA	♣N□	106	—	*146¼	106	46.8	3.3	14.6
CRP Leisure	♣	8	—	12½	5	1.28	-	-
Campbell & Arm	♣	36	—	54	31	5.85	-	-
Clarke (T)	N	49	—	62	44	6.02	3.2	41.6
Costain	♣N□	21¼	—	42	20½	116.1	-	-
Countryside	♣N	106	—	*188	106	82.5	5.0	♦
Crest Nichol	♣†gN	74	—	*129	73	73.3	2.7	13.7
5½pc Cv Pf		98	—	98	93	27.5	10.4	-
Cussins	♣†N	98	—	*149	98	17.5	4.3	11.8
Dawson Tyson	N□	12	—	26	11	6.73	-	-
EBC	N	68	—	116	63	9.82	7.4	-
Edmond	N□	21	—	39	19	10.7	1.8	-
Eve	♣N	280	—	473	280	28.4	4.8	11.7
Fairbriar	N	16	—	15	9	3.81	-	0.3
Galliford	♣N□	26	—	69	24	23.1	4.8	-
Gleeson (MJ)	♣†N	828xd	—	1029	823	43.6	2.1	14.2
Havelock Europa	†N	173xd	—	191	121	46.1	2.2	15.8
Hewden-Stuart	†N□	135	—	169	138	318.1	2.7	16.0
Higgs & Hill	♣N□	82	+3	*144	86	60.9	3.4	-
Howard	N	22	—	32	20	5.69	4.5	20.5
Jackson	N	62	—	78	43	13.3	3.6	23.4
Jarvis	N□	11	—	*28	8	3.98	-	-
Kajima Y	□	530¼	+¼	674¼	492	8,087	1.1	78.9
Keller	♣N□	112	-1	138	104	82.7	4.2	13.0
Laing (J)	♣N	221	+4	426	204	107.2	5.1	20.8
A N/V	N□	221	+4	428	202½	98.3	5.1	20.9
6.4pc Cv Pf		93	—	164	90½	37.3	8.6	-
Lon & Clydes	N	122	—	146	115	11.1	4.9	16.9
Lovell (YJ)	♣N□	58	-2	173	53	23.2	2.2	6.3
Maunders (J)	N	213	-2	253	196	83.2	3.2	♦
McAlpine (A)	♣gN□	184	—	*321	154	106.4	5.3	22.8
McCarthy & St	□	80	—	*76¼	50¼	89.0	-	♦
Morgan Sindall	♣N	58	—	64	56	17.4	0.2	-
Mowlem (J)	♣N□	97	—	*186¼	94	169.4	2.6	-
Persimmon	♣†gN□	186	+3	*379½	182	217.2	6.2	13.9
Pochins	N	£21⅛	—	£21⅛	£14½	21.9	1.9	21.1
Prowting	†N□	129xd	—	198	125	98.9	3.6	19.0
Raine	♣N□	45	+½	116	44½	84.6	8.3	9.4
Redrow	♣N□	103	+2	132	94	227.6	3.3	10.2
Regent Corp	□	25	—	32	22	7.95	-	-
Severfield-Rvs	♣†	58	—	*67	58	9.26	1.6	27.8
Sheriff	♣N	383	—	386	233	40.3	1.9	♦
Sherco	♣†N	110	—	112	62¼	6.14	4.2	15.4
Smart (J)	N	210xd	-4	245	195	21.2	5.1	22.0
Tay Homes	♣N□	106	+1	257	151	40.7	5.0	11.8
Taylor Wood	♣†N□	123	+2	183	114½	479.2	1.8	30.0
Tilbury Douglas	♣N	583	-1	769	538	198.3	7.3	43.2
Torex Hire	♣†N	55	—	60	36	6.68	2.8	28.7
Try	♣N□	22	—	*40½	21	14.5	3.0	-
Utility Cable	♣□	28	—	38	23	38.2	1.0	-
VHE	♣N□	106	—	142	98	34.9	4.5	12.9
Vibroplant	†N□	109xd	—	129	90	59.2	4.3	19.6
Walnbomes	♣†N□	117xd	+2	179	115	72.8	5.2	12.6
Ward Hldgs	♣ZN□	51	—	74	48	28.8	1.2	-
Westbury	♣N□	137xd	+1	225½	132	91.2	4.9	12.5
West Scaling	♣N□	1¼	—	8½	1¼	5.89	-	-
Westport	♣N□	3¼	—	5	2½	3.93	-	-
Wiggins Group	♣□	5¾	+½	7½	3¾	25.7	-	-
Wilson (Con)	†N□	159	+4	259	154	301.9	3.3	13.2
Wilson Bowden	♣†N□	317	+4	*371	312	298.1	3.7	14.1
Wimpey (G)	♣N□	134	+7	*249	125	483.6	4.8	20.0

BUILDING MATS. & MERCHANTS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Abrighton	N□	14	—	*27	12	18.1	4.5	13.3
Alumasc	N	338	—	341	283	104.8	2.2	♦
Aerberley	♣†N□	40	—	*65¼	43½	28.9	3.2	28.7
Anglian Grp	♣†N□	174	—	378	171	182.8	7.8	8.9
Atreos	†N□	12½xd	—	22	8½	4.51	4.9	♦
BMSS	♣†N	140	—	183	136	12.6	3.1	36.3
BPB	♣†N□	282xd	—	363	274	1,411	3.7	14.5
Baggeridge	N	124	—	142	93	49.2	3.2	♦
Bardon	N□	30½	-1	*60	30½	168.1	8.2	-
Berisford Intl	♣N□	228	+18	244	125	340.4	0.3	-
Blockleys	♣N	67	+1	93	58	16.8	1.7	-
Blue Circle	♣N□	272	+7	361	262	1,969	5.2	19.3
7¾pc Cv Pf		140½xd	+2½	207	136½	166.5	6.8	-
Breedon	N	79	—	117	77	22.5	7.3	22.8
Brit Dredging	N	139	-1	164	138	22.8	5.4	15.6
Brooklands Aggts	N□	31	—	41	27	16.8	2.0	16.6
CAMAS	♣N□	74	—	86	67	225.8	6.3	35.1
CRH I£	♣□	335	—	409	321	1,179	2.9	17.0
CSR A$	†	220	+11	258¼	209	1,904	6.1	♦
Cakebread Rob A		36	—	78	31	2.09	-	4.1
Cape	♣N	169xd	—	276	168	107.7	6.9	12.6
Caradon	♣†N□	284	+14	455	226	1,518	4.4	16.8
7¼p Cv Pf		126½	+4	218½	114	227.7	7.2	-
Chieftain	♣N	64	—	92	46	4.82	8.1	10.8
Darby	♣†N□	86xd	—	117	84	13.8	2.4	16.2
Dyson (J & J)	♣N	100	+5	134	89	1.80	4.0	16.4
A	N	69	+2	97	67	8.32	6.3	16.4
Eclipse Blinds	♣1□	10½	+½	11½	4½	14.8	2.2	-
Ensor	♣N	12	—	*16	7½	2.15	-	-
Epwin	♣†N	276	—	359	273	59.4	3.6	16.3
Erith	♣†N	58	—	82	57	27.5	3.0	32.7
Explorer UV	♣N□	1½	—	4¼	0¾	1.06	-	-
Gibbs & Dandy A	♣†N	77	—	59	70	4.89	4.6	7.6
Grafton I£	♣N	384	-¼	390	238	57.8	2.8	24.4
Graham Group	⊥N□	166	—	218	160	132.5	3.4	16.1
Halstead (J)	N	344	—	390	337	102.9	2.7	18.9
Heath (S)	N	105	—	138	105	3.15	7.2	8.7
Helical I£	N	64	—	*71¼	52	28.8	3.6	-
Hepworth	♣N□	366	+7	461	284	742.8	6.0	17.5
Hewetson	♣†N	85	—	98	48	7.91	2.2	14.7
Hewitt	♣SN	135	—	266	85	4.98	2.2	-
Heywood Will	♣†N□	260	+3	*473	257	249.3	6.5	14.7
Cv Pf		118	-½	205½	118	28.8	7.1	-
Ibstock	N□	77	+1	108	67	192.8	1.6	-
Warrants	□	1½	—	9	1½	8.31	-	-
John Mansfield	♣□	3½	—	4¼	3	1.57	-	-
Johnston	♣†N	262	—	284	149	27.7	2.1	31.5
Kingspan I£	♣†N	137¾	—	138	87	35.9	2.4	14.3
Lafarge-Copp FFr	□	£45¼	-¾	£59⅝	£44⅝	3,087	3.5	15.7
Latham (J)	†N	198	—	218	177	10.0	3.8	12.3
Lilleshall	♣†N	100	—	170	108	38.7	5.4	11.3
8p Cv Pf		100xd	—	100	97	7.57	11.2	-
Marley	♣N□	131	-1	213½	129	376.8	4.0	15.5
Marshalls	♣†N□	133	—	165	126	182.8	4.3	11.7
8½p Cv Pf		114	—	131	110	71.8	7.1	-
Meyer	♣N□	347xd	+2	*509	343	437.2	3.9	13.5
Needler	♣	43	—	48	33	8.07	-	-
Newman-Tonks	♣†N□	165	-2	198	146	169.7	4.9	20.8
Norcros	♣N□	104	—	*212½	104	181.3	8.7	18.1
Phoenix		11	—	28	9	3.83	-	-
Pilkington	♣N□	161xd	+2	268	155	1,284	3.1	31.0
Warrants	□	68½	—	100½	60	47.3	-	-
Polyclon	N□	120	-2½	186	128	202.3	2.2	14.8
Quiligotti	□	12½	—	*30	12½	5.61	-	-
RMC	♣†N□	945	+7	1079	905	1,867	2.8	18.8
Ramus	♣	17	—	40	16	4.09	-	-
Redland	♣N□	446	+12	640	425½	2,318	7.0	20.7
Rockel	♣	98	—	108	70	14.7	5.5	-
Rosemont	♣Z□	11½	—	15½	10¼	2.13	2.2	-
Ruberoid	LW□	147	-1	212	147	78.8	4.6	13.8
Rugby	♣†hN□	118	+4	*165½	102½	669.6	3.9	13.9
Russell (A)	♣†N	99	—	103	62	30.8	3.2	16.3
SIG	†N□	255	—	*289	222	188.7	2.7	20.5
St Gobain FFr	□	£72⅞	-¼	£95⅞	£66⅞	5,007	3.5	21.7
SMP	N	16½	—	21	16	4.13	1.5	23.0
Sharpe & Fisher	♣†N	177	—	280	155	38.6	3.1	13.0
Shaw (A)	♣†N	21xd	—	*29¼	14	7.36	3.4	4.5
Spring Ram	♣N□	41½	-2	*91½	41½	168.1	1.5	-
Sycamore	□	22	—	*42	16	0.74	-	-
Tarmac	N□	120	+2½	206	113	1,105	5.7	-
Tilon	♣N	161	—	220	160	17.6	3.6	♦
Travis Perkins	†N□	285	-1	370	274	282.7	3.6	17.6
Tudor	♣N	24	+1	28	21	2.82	1.3	-
Unigroup	□	38	—	54	33	11.3	-	♦
Universal Ceramic	⊥N□	98	—	105	86	21.1	4.9	13.4
Waterhouse	♣	48	—	63	33	1.20	-	-
Wickes	†N□	98	—	129	87	334.6	1.8	20.2
Wolseley	♣N□	757xd	+5	875	705	2,081	2.8	14.9

CHEMICALS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
AGA Skr	□	£5⅛	+⅛	*£7⅛	£4⅞	842.3	1.4	32.9
Akzo Fl	□	£80⅜	-⅞	£82⅞	£62⅞	3,217	3.4	18.5
Allied Colloids	†N□	126	+4	*168½	115½	653.6	2.4	17.7
Amber Ind	†N	700xd	—	700	700	38.5	3.4	16.5
BASF DM	□	£122⅞	-1⅜	£148⅞	£106⅜	7,187	7.8	-
BOC	♣†N□	710xd	+1	767	627	3,350	4.4	26.9
BTP	♣†N□	260	—	*373	201	396.4	4.5	18.0
Bayer DM	□	£138⅞	-3⅞	£160⅝	£129⅞	9,267	6.5	-
Brent	N□	185	+½	131	96	88.8	4.9	-
British Vita	†N□	226	—	300	219	485.9	4.1	17.0
Cambridge Isot $	♣	18	—	25	18	2.46	-	-
Canning (W)	♣N□	182	+1	199	153	51.8	5.0	31.0
Cementone	♣N	46	—	109	46	16.1	7.3	13.3
Warrants		17	—	48	17	0.15	-	-
Courtaulds	†N□	443½xd	+½	568	429	1,787	4.2	30.2
Croda	†N□	377	+8	389	327	480.8	2.8	18.2
Doeflex	♣N	131	—	143	95	13.8	4.4	13.2
Engelhard $		£13⅝	—	£20⅝	£13½	1,310	2.2	-
European Colour	♣†N□	58xd	—	68½	35½	17.5	3.0	18.8
Gibbon	♣N	129	—	149	110	18.9	5.8	10.8
Hickson	♣N□	126	—	223	126	221.4	7.9	11.3
Hoechst DM	□	£129⅞	-1¼	£153⅞	£108⅞	7,643	5.7	-
Holliday Chemical	†N□	203	—	*259	153¼	210.9	2.7	18.6
ICI	N□	746	+9½	868	727	5,401	4.6	60.3
Inspec	⊥□	215	—	232	178	183.4	2.0	35.3
Kalon	♣†N□	100½	—	191¼	108	145.3	5.1	10.3
Laporte	♣†N□	687	+8	842	675	1,335	3.8	17.8
MTM	♣□	60	-2	95	48	28.7	8.8	-
Manders	N□	282	—	405	230	115.6	4.3	14.2
McLeod Russel	N□	113xd	—	127	100	68.1	6.9	♦
Metrotect Inds	♣N□	66	—	128	61	16.4	6.5	9.0
Perstorp Skr	□	£24⅛	-⅛	£32⅛	£20⅞	121.8	1.8	30.6
Porvair	♣†N	280	—	349	265	46.0	1.9	21.8
Scapa	♣†N□	181xd	-2½	272	166	453.4	3.9	15.5
Sutcliffe Speak	♣†N□	29	—	66	29	16.3	3.9	17.1
Wardle Storeys	N□	340xd	—	469	337	84.7	6.3	18.9
Wellington	N□	191	—	220	191	46.2	3.4	18.5
Wolstenholme	♣†N	793	—	823	570	58.7	3.0	16.6
Yorkshire	♣†N□	354	+1	*403	345	162.1	2.9	15.3
Yule Catto	†N□	280	—	336	256	279.7	2.9	21.3

DISTRIBUTORS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
ABI Leis	♣N□	107	—	127	106	38.8	4.9	♦
[illegible]	N□	180xd	-3	201	161	49.3	3.0	♦
Adam & Harvey	♣†N	580xd	+7	589	253	34.8	3.4	7.3
African Lakes	N	69	—	62	44	3.86	1.1	-
Alexanders	♣N	21	—	31	21	8.25	3.0	18.5
Appleyard	♣†N□	114	—	176	113	75.7	6.4	20.1
Ass Br Eng	N□	4½	—	6	3¼	11.8	1.4	58.8
BSS	♣†N	526	+1	578	495	136.2	4.4	18.1
Bearing Power	♣N□	22	—	29½	17	7.40	6.0	♦
Blackley	♣†N□	265	—	405	240	16.3	4.9	10.9
Bogod A	N	28	—	40	28	1.36	3.1	9.5
Brammer	♣N□	345	—	370	286	184.2	4.7	19.2
Bridgend	♣N□	16xd	—	31	15½	4.41	1.8	-
Brit Fittings	♣†N	82	—	99	78	19.8	3.4	-
Brown & Tawse	♣N□	41	—	71	41	13.3	-	-
Burndens	♣†N□	40	—	57	35	42.2	6.2	11.7
Caffyns	♣N	280xd	—	405	245	8.88	5.4	18.1
Cadcut	N□	25½xd	+½	39	24½	25.0	5.2	14.7
Coverdale	N□	11½	-¼	22	11¼	24.7	1.8	11.7
Central Motor	♣†N	88	—	139	84	12.0	5.0	21.8
Charles Sidney	♣N□	90xd	+1	135	88	21.3	4.9	♦
Cook (DC)	†N□	39	—	61	32½	14.7	3.7	11.8
Cowie	♣†N□	289xr	—	*342¼	197½	336.5	6.6	10.4
Culver	†N□	8¼	+½	12¼	6¼	5.79	4.1	9.2
Dagenham	♣†gN	138	—	*192¼	127	33.3	5.9	15.9
Dennans	♣†N	583	—	663	445	28.9	1.4	18.6
Diploma	N□	414½xd	-5½	628	414½	231.7	4.1	♦
Dixon Motors	♣W	150	—	*224	147	23.7	2.7	17.2
Electrocomps	♣†N□	495xd	+2	589	443	988.8	2.7	19.1
Beckton Homes	♣N□	161	—	175	133	38.3	2.8	15.6
Ellis & Everard	♣N□	283	—	283	225	219.3	3.8	19.4
Enterprise Comp	N□	2¼	—	36	2	1.74	-	-
Eurodollar	WN□	204xd	—	234	201	108.9	5.2	16.0
European Motor	†N□	110xd	—	173	108	59.8	5.1	12.0
Evans Halshaw	†gN	400	—	*539¼	395	128.0	4.4	12.6
Faber Prest	N	561xd	—	*580	409¼	66.6	3.5	♦
Farnell	†N□	518	+1	668	490½	696.3	1.9	21.3
Fife Indmar	N	69	—	78	50	7.39	5.7	8.8
Firstlet Group	♣Rg□	178	—	*178	139	55.6	2.4	22.1
Gardiner	†N□	16	-½	34	16	17.2	8.9	7.6
Glenchewton	N□	19½	—	48	19	8.71	-	21.5
Gowrings	N	71	—	90	60	6.46	3.6	21.5
Halkin	♣	72	—	*78	59	20.5	-	58.2
Hamlet	1N□	100	—	176	98	29.8	7.4	8.4
Harris (P)	♣N	141xd	—	*161	132	18.2	6.1	12.4
Harlons	□	6½	-¼	8½	3¼	4.82	-	-
7pc Pf		53	—	66	15	2.84	16.5	-
Headlam	♣†gN□	149	+1	*227¼	134	59.4	2.9	16.8
Henlys	♣N□	272½	—	*342¾	260¼	130.0	3.4	14.6
Heritage		42	—	110	41	2.37	-	22.0
Holders Tech	♣N	82	—	191	88	2.87	8.2	10.0
ISA Intl	♣†N□	118	—	138	110	43.9	1.9	13.7
Ideal Hardware	♣N□	230xd	—	323	238	61.3	3.6	19.3
Inchcape	♣†N□	434xd	+6	609	385	2,382	4.3	14.4
Independent Parts	⊥N□	123	—	123	118	22.0	4.1	14.9
Jacks (Wm)	N	58	—	68	35	6.28	-	13.4
Kwik-Fit	†N□	167	—	184	145	270.8	3.2	18.0
Lex Service	♣†N□	292	—	373	281	276.3	5.7	11.2
Libo Supplies	R□	171	—	276	169	45.1	4.8	13.2
Lookers	♣†N	194	—	282	162	37.8	4.4	12.1
Lookers 9pc Cv Pf		118	—	139	103½	18.1	9.1	-
Malaya	♣†ZN□	14¼	—	30	14	13.7	2.2	-
Middleton	♣†N□	8½	—	9	3½	47.6	-	-
Millgate	♣†N□	18	—	62	17	3.38	3.5	4.1
Nightfreight	♣N□	105	—	121	92	48.2	4.0	13.9
Norbain	♣N	423	—	440	279	44.0	0.7	20.3
Northamber	†N	91	—	109	47	15.5	1.8	38.4
PCT	♣†N	152	—	175	152	13.4	6.1	14.7
Parkes	⊥□	228	-4	249	217	67.3	2.9	19.7
Pendragon	†N□	265	—	*310	232	98.4	3.7	16.8
Perry Grp	♣N	161	—	238	161	40.7	5.4	8.8
Persons	♣LN□	169	-1	193	140	19.3	3.0	14.4
Polar	♣N	283	—	297	210	28.8	2.6	♦
Quicks Grp	†N	133	—	216	133	30.6	4.9	14.0
REA	N	158	—	183	97	12.8	4.7	32.7
Reece	□	2⅜	—	5¼	2¼	3.54	-	-
Ross Grp	†N□	4½	—	24	4	6.31	6.6	-
Ryland	LN	81	—	85	76	23.8	5.4	13.3
SEP Indl	N□	33½	-½	42	32½	27.8	4.0	♦
Pfd		39	-½	43	34½	3.19	3.7	♦
Sanderson Bramall	†N	157	—	*234	157	83.5	2.2	18.1
Spandex	♣†N	285xd	—	*288	155¼	108.8	1.2	28.5
TLS Range	♣†N	37	—	44	31	13.4	3.4	14.9
Time Prods	♣†N□	235xd	—	265	215	124.5	4.7	15.8
Tritest	⊥N□	235xd	—	235	201	37.3	3.0	18.5
Vardy (Reg)	♣N□	161	—	221	151	49.9	3.8	14.3
Walpac	□	9	—	36	9	3.64	-	-
Wholesale Ftg	♣	245	—	335	245	34.8	6.0	♦
Willis Group	N□	15	+½	*36½	13½	28.3	4.2	8.4
Willshaw	†N□	71xd	+3	71	39½	59.1	1.1	23.8
Wyke	♣N	58	+2	69	40	18.7	1.1	♦
Young (H)	♣N□	66xd	—	96	61	11.3	6.6	♦

DIVERSIFIED INDUSTRIALS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Adwest	♣N□	156	—	202	148	129.2	6.0	15.9
Amer Fin & Rl Fl	□	£11⅛	-⅛	*£18⅛	£11⅛	110.1	11.0	7.0
Antofagasta	†	343	—	*380	199½	539.1	1.3	27.7
5pc Pf		78	—	80	55	1.96	6.6	-
Anglo Trust	N□	46½xd	—	62	46	17.7	4.6	10.1
BH Prop A$	†	845	+27	908	773½	15,667	2.3	36.5
BTR	†N□	289½	+4½	401	273	10,394	5.6	14.8
Wts 94-95	□	56	+2	177	53	189.3	-	-
Wts 1995-98	□	48	+1½	141½	45½	62.8	-	-
Wts 1997	□	58½	+1	143	56	77.8	-	-
Wts 1998	□	30	—	78	29½	31.5	-	-
BTR Nylex A$	†	124	+2	169¼	105	3,328	4.5	15.9
Barlo I£	♣N□	48xd	—	99	44	75.9	2.8	8.9
Bibby (J)	♣N□	87	—	91	49	104.7	5.8	-
Brierley Invs NZ$	♣	46¼	-¼	57½	44	1,216	9.6	♦
For Cannon St Invs see Suttra								
Charter	♣†N□	603xd	+3	*836	636¼	667.4	3.6	22.8
Cookson	♣†N□	239	-1	*285	226½	1,347	3.4	21.6
Crean (J) Uts I£	N	275xd	—	325	255	128.9	6.5	8.9
DCC	♣I£□	193xd	—	249	188	149.2	3.5	10.0
Hanson	♣gN□	236xd	+1½	302	217½	11,893	6.4	17.8
Warrants	□	21¾	+¼	47½	20¼	116.8	-	-
9½pc Cnv		£107⅞	—	£130	£104¼	53.8	8.8	-
Harrisons & Cros	N□	144	-1	220	142	1,812	7.8	16.4
Hawtin	□	28½	—	29½	18½	19.7	4.3	13.0
Hutch Whamp HK$	♥□	268	-2¼	365¼	239¼	9,312	2.2	18.4
Jardine Hdg $	†□	465½	-2	710	409¼	3,344	3.2	10.5
Jourdan (T)	N	29xd	-1	38	27½	5.21	4.3	28.8
Kvaerner B NKr	□	£28	+⅛	£39⅞	£24⅛	303.6	2.3	18.6
Lonrho	♣N□	148½	-½	175½	124½	1,147	3.4	40.8
Mitsubishi Crp Y	□	817¾	-12½	891½	619½	12,812	0.8	♦
Mitsui Msr Y	♥□	469½	-8	570½	440½	3,410	0.7	-
Pac Dunlop A$		176	—	279¼	167	1,874	6.3	12.1
Powell Duffryn	†GN□	523xd	-1	705	513	347.3	6.2	14.9
Ropner	♣N	126xd	—	*168	118¼	28.6	7.3	14.5
Saltire	N□	12xr	—	*34¼	9¼	28.7	-	4.6
Sime Darby M$	b	135½	+2	*163¼	105	2,852	3.2	17.2
Stanley Inds	N□	176xd	-1	287	176	201.3	6.0	51.4
Suter	♣†N□	155	-½	220	155	181.2	7.5	14.9
Warrants 86/98		32	—	79	32	3.49	-	-
Warrants 98/04		32	—	44	28	3.74	-	-
TT Group	♣N□	236	+4	*299	220	368.6	2.3	♦
Tomkins	♣N□	214	+6½	283	202	2,527	4.3	13.7
Trafalgar Hse	♣gN□	74	+½	*124	69	703.6	1.7	-
8p Cv Pf	□	97½xd	—	158¾	93	414.3	7.7	-
Unidare I£	†N	295	—	*440	245	57.4	3.6	16.2
Wassall	♣†gN□	275½	+1½	*324	246½	531.2	1.8	23.7
Whitecroft	♣†N□	161xd	—	162	93	70.4	2.7	25.4
Widney	N□	10	—	13½	9½	15.1	2.8	♦
Williams	♣†gN□	314	+4	*414¼	309	1,814	5.2	19.4
8p Cv Pf		127½	—	*175	126½	343.5	7.8	-

ELECTRICITY

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
China Light HK$	♥□	277½	-¼	465	172¼	4,601	3.8	-
East Midlands	♣gN	810	+12	*894¼	610¼	1,594	4.0	63.9
Eastern	♣†N□	787	+1	888	566	1,978	4.1	16.6
London	†N□	743	+6	763	534	1,515	4.2	11.2
Manweb	†N□	859	+4	871	635	909.6	4.0	10.1
Midlands	♣†N□	826	-8	846½	547	1,370	3.8	12.6
National Power	♣†N□	471xd	+10	529	404½	6,038	3.5	12.9
Northern	♣†N□	985	+1	1049	589	1,102	3.5	12.2
Northern Ireland	♣†N□	398	—	421	329	605.7	4.1	9.9
Norweb	♣†N□	807	+16	899	587	1,285	3.8	10.5
PowerGen	♣†N□	503xd	+10	582	449	3,943	3.4	10.9
Scott Hydro	♣†N□	326	+1	477	307	1,256	5.0	10.2
Scottish Power	♣†N□	337	—	498	325	2,748	4.8	18.5
Seeboard	♣†N□	472xd	+8	*472	293	1,183	3.3	12.5
South Wales	†N□	851	+16½	851	591	812.7	4.3	11.4
South Western	♣†N□	895	-2	953	551	1,009	3.7	11.2
Southern	♣†N□	796	+4	837	540	2,157	3.9	11.5
Yorkshire	♣†gN□	867xd	+30	796	532	1,433	4.5	13.4

ELECTRONIC & ELECTRICAL EQPT

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
ASEA B Skr	♣□	£44⅛	-⅜	£57¼	£43⅛	1,060	1.9	-
Acal	♣†N	286xd	—	*380	246	57.5	2.9	16.1
Acorn Comp	♣N□	98	—	169	63	88.0	-	-
Alba	†N□	198	—	198	163	92.5	3.3	15.2
Amstrad	†N□	134	+2	*290	126¼	159.8	2.3	-
Arcolectric A NV	†N	71	—	73	46	3.99	2.0	15.4
Arlen	□	33	—	*38	24	24.5	-	-
Astec (BSR)	♣†N□	83¼	—	94½	78	256.9	1.4	17.1
BICC	N□	337xd	-2	478	325	1,190	7.1	21.2
Cap Fin 10¾pc		110xd	-¼	166½	107½	194.7	9.8	-
Beales Hunter	N	244	—	393	239	28.0	5.0	♦
Berkeley Business	N□	7½	—	*16	7	5.94	-	-
Betacom	N□	9	—	17	8	8.59	-	34.5
Blick	♣N	423	+3	535	402	129.8	3.5	♦
Bowthorpe	†N□	289	+3	*390	280	538.3	3.0	16.6
Bulgin A	♣N□	16½	—	21½	14½	4.29	1.9	9.6
CML Micro	♣N	208	—	283	208	38.7	3.6	13.3
Chemel	†N□	40xd	—	67	37	14.3	3.9	11.4
Chloride	♣ZN□	29¼	—	35¼	20¼	48.3	0.8	56.4
Control Tech	♣†N□	521xd	+2	522	360	282.1	2.3	♦
Copymore	♣N	180xd	+10	180	81	19.0	3.0	♦
Cray	♣N□	157	+2	202	148½	372.7	1.8	18.3
Critchley Grp	♣†N□	460xd	-3	467	412	64.4	2.3	19.4
DRS Data Res	⊥N□	37	—	128	23	11.8	11.3	7.4
Danka Bus Syst	♣†N□	324xd	+24	380	269	815.9	0.6	23.7
Delta	♣†N	494	—	586	430	676.0	4.8	19.4
Densitron	N	29	—	46	27½	4.99	6.5	23.4
Dewhurst A	♣N	98	—	101	61	8.76	3.3	♦
Domino Print	♣†N□	555	—	560	400	147.1	1.9	21.9
Dowding & M	N□	69	—	78	63	102.3	4.8	35.2
Druck	N	1465	—	1635	1220	93.8	0.9	27.3
Eidos	♣	395	—	*469	180¼	8.62	-	-
Electrolux B Skr	□	£32	+⅛	£37⅛	£23	2,279	1.7	54.8
Eritoss	♣N□	29½	—	38½	21	31.3	0.4	-
Ericsson (LM) Skr	□	£34⅛	-⅞	£40⅛	£27¼	6,835	1.1	30.0
Eurocopy	♣N□	68	-2	86	56	33.4	3.7	♦
Eurotherm	†N□	393	+4	*451	343	350.2	1.6	23.3
Fairey	♣†N□	394	-4	*403	334½	290.7	2.8	20.6
Feedback	♣N	63	—	76	60	5.33	3.0	10.8
Forward	♣†N	183xd	—	283	180	15.1	3.5	11.3
Forward Tech	♣†N□	39	-1	56	14½	13.3	2.4	8.1
Fujitsu Y	N□	621	-5¾	751	359½	11,280	0.5	-

ELECTRONIC & ELECTRICAL EQPT - Cont.

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
GEC	†N□	272	+8	*303½	259	7,495	6.1	13.5
Gestetner	♣†N□	185	+2	191	102	287.5	2.9	-
Gnachy	♣†N□	141	-1	190	119	80.8	8.3	13.2
Hewlett-Packd $		801½xd	-¾	804¼	547	15,635	1.2	-
Intl Cntrl Syms	♣N□	138	—	153	121	55.1	4.6	11.6
Johnson Elec HK$	♥	148	-1¼	167	141	384.2	1.4	33.8
Kenwood	♣†gN□	323xr	—	*395	323	149.8	3.6	15.6
Kenshaw (A)	†N	689	—	890	730	380.4	3.9	41.0
Kode Intl	♣†N	68	—	165	38	5.46	8.6	-
LPA Inds	♣†N	44	—	56	44	3.96	4.5	-
Lisx Proig Techs	N	37	—	99	58	12.8	1.4	50.7
MTL Instr	♣†N	259	—	320	250	83.8	1.8	18.0
Magnum Power	♣N□	114	-5	148	35	47.8	-	-
Memtec-Sustn	♣N□	280	+1	281	210	129.0	2.1	19.5
Microvitec	♣N□	35½	+½	46	31	22.6	-	17.8
Mitsub Elect Y	♣	447¼	+7¼	473	320	8,698	1.4	77.8
Motorola $	h	£36⅝xd	+⅜	*£39⅞	£28½	20,774	0.5	-
NEC Y	□	715½	-8	843	510	11,027	0.9	♦
Nokia Pf FM	□	£90⅛	-¾	£95⅛	£16⅝	3,041	2.1	11.0
Orbis	†N□	21	—	*31	19	7.86	3.7	♦
Pacer Syst $	♣	60	-3	91	60	2.82	7.4	21.7
Pack	N□	83xd	+½	98	74½	86.1	5.1	20.9
Philips Fl	□	£19⅛	-⅛	£21⅞	£14	6,226	1.8	8.5
Philips Fin 5¼pc		£110	—	£116	£97⅛	14.2	8.2	-
Pifco	N	353	—	369	263	33.9	1.6	24.2
A	N	331	—	344	263	22.8	1.7	22.7
Plasmec	♣†N	128	—	140	70	6.68	3.9	-
Prestec	♣N□	90xd	—	129	80	35.1	3.7	18.9
Prestwick	♣N	24	—	*43¼	17¾	9.77	-	-
7¼pc Cv Pf		78	—	89	63	2.39	11.6	-
Process Syst $	□	4¼	—	8¼	4½	2.58	-	-
Psion	♣†N□	280	—	303	181	58.1	1.5	17.5
Racal	†N□	212	+3	281	187	584.0	2.7	17.3
Radamec	♣†N□	48	—	63	33	6.39	5.3	12.3
Radstone Tech	♣N□	121	—	133	108	18.9	3.1	15.2
Rea	♣N	10	—	25	10	2.89	-	-
Roxboro	♣N□	239	—	311	226	129.3	2.4	17.6
Scantronic	♣N□	20½	—	59	15	7.46	5.1	♦
Siemens DM	□	£286⅛	+1⅜	£310	£247¼	14,221	4.1	-
Silvermines I£	†N□	39	+1	49	34	25.0	2.6	23.2
Sony Y	♣□	£34⅛	+⅛	£41⅛	£32⅛	12,986	0.9	♦
Soundtracs	♣N	61	—	94	61	6.16	4.9	13.8
Slim Business	N□	38	—	106	38	38.7	12.2	5.9
Tadpole Technology	♣N□	376	-6	447	264	93.2	-	-
TDS Circts	♣†N	8½	—	19	8½	0.85	-	-
TDK Y	□	£29⅛	+⅛	£32¼	£22⅛	3,690	1.1	♦
TLG	WN□	133	+1	136	117	236.8	3.3	19.1
Telemetrix	N□	77	—	170	77	70.5	1.6	9.8
TGI	♣†N	91	—	101	51	10.5	3.1	16.6
Tekspec	⊥□	344	—	349	191	189.1	0.9	41.6
Thorpe (FW)	N	230	—	240	133	28.6	1.7	16.8
Toshiba Y	□	444	-3	556¼	387¼	14,280	1.4	63.2
Tunstall	N	256	—	*303	215	84.6	1.9	♦
Unitech	♣N□	351	—	384	258	241.5	2.3	27.4
Verity	♣□	9	—	16	8½	16.4	-	24.2
VideoLogic	□	63	+4	64	18½	96.1	-	-
Volex	♣†N	389	—	*483	388	183.1	6.0	16.0
Vtech	†	70	-1	180	68	138.7	2.3	-
Wakebourne	□	78	—	280	60	18.3	-	-

ENGINEERING

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
AIM	♣N	185	—	185	119	23.5	3.4	44.3
APV	†N□	58	-3	138	58	171.4	8.5	-
ASW	♣†N□	215	—	228	157	144.6	3.7	-
Aerospace Eng	♣N□	16	—	21½	14	6.88	5.9	45.4
Aero Hamble	WN□	31	—	126	20½	17.7	15.1	3.1
Alvis	♣N□	48	-1	73	27½	22.2	3.2	♦
Apollo Metals	N	88xr	—	*100¼	76	21.8	5.8	♦
Aromascan	□	73½	—	109	72	19.8	-	-
Ash & Lacy	♣N	143	—	175	143	37.6	5.6	14.8
Atlas Conv	N	548	—	*603	490	57.8	5.0	18.3
Atlas Cop B Skr	□	£7⅞	-⅛	*£9⅞	£6⅛	471.6	1.9	74.5
BM	N□	44½	—	51	24½	48.3	-	-
Babcock Intl	N□	28	—	*40¼	28	235.8	-	-
Barry Wehmiller	♣N□	134xd	-1	176	132	64.1	6.2	20.5
Baynes (C)	♣†N□	84	—	98	84	121.1	2.6	21.5
5.8p (Net) Pf		132xd	—	138	105	45.6	5.5	-
Beaufort	♣□	35	—	*58	23	8.43	-	-
Beckenham	♣□	149	—	36	10½	4.32	-	-
Billam (J)	N	111	—	228	110	1.80	6.0	8.9
Black & Decker $		£14⅛xd	-¼	£16⅞	£10⅞	1,201	1.9	-
Bodycote	♣†N□	311xd	—	328	262	180.1	2.2	21.2
Booth Inds		70	—	75	43	2.80	-	-
Breeway	♣N□	16	—	20	15	12.8	4.1	16.3
Bridon	♣N□	157xd	—	171	120	89.8	3.2	-
Brit Aerospace	†N□	428½	+½	*578½	360½	1,621	2.8	37.6
7¾p Cv Pf		107¼xd	+¼	*127¼	100	290.9	9.8	-
Brit Steel	†N□	156½xd	-½	172¾	121½	3,158	2.8	18.9
Bromsgrove	♣N□	92	—	125	88½	89.9	8.1	11.7
Brooke Tool	□	12¾	—	16¾	9½	4.76	-	-
Bullough	♣N□	166	—	186	135	161.2	4.8	26.0
Burnfield	♣†N□	73	—	79	55	25.0	3.2	31.3
CI	♣N□	14xd	—	22	14	12.1	2.7	-
Carclo	♣N□	259	—	293	247	158.8	4.4	16.9
Castings	†N	144xd	+1	*155	110	66.8	2.5	17.7
Chamber & Hill	†N	180xd	—	230	150	18.8	5.6	9.5
Chemring	N	296	—	380	272	69.1	4.2	♦
Clyde Blowers	♣N	181xd	—	*296½	180	14.2	3.1	♦
Cobham	♣†N	324	-3	334	235	244.9	3.0	16.2
Cohen (A)	‡	535	—	698	403	4.15	0.8	-
Concentric	♣N□	182xd	—	283	178	99.6	4.2	♦
Cook (Wm)	N□	243xd	+6	319	233	53.5	3.9	11.4
Cooper (F)	N□	73xd	—	121	73	25.9	4.3	♦
Crabtree	♣N	298	—	384	271	44.3	3.4	♦
David Brown	†N□	219	—	296	198	125.9	3.7	15.4
Dickie (J)	♣N	171xd	—	173	95	11.1	2.6	11.7
Dobson Park	♣N□	73xr	-2	97	79	91.5	6.7	♦
Domnick Hunter	WN□	245	—	272	200	79.9	2.2	26.3
EIS	†N□	360xd	—	*442	364	174.0	4.1	15.3
Eadie	N□	17	—	46	17	9.14	7.4	7.0
Elliott (B)	†N□	99xd	—	181	69	35.0	2.5	14.8
Excalibur	♣N□	32½	—	*48¼	29¼	24.4	2.5	10.2
Expamet Intl	†N□	89	—	118	60	58.2	3.7	63.1
FKI	♣†N□	151xd	+1	212	149	670.6	3.5	17.5
Fenner	♣N□	137xd	—	148	109	94.7	1.4	♦
Ferrum	□	28	-5	45	28	6.48	-	-
Firth (GM)	N□	26	—	*26	9¼	14.5	-	-
GBE Intl	♣†N□	15xd	—	92	14	8.12	14.8	-
GEI Intl	†N□	74xd	—	86	73	27.3	4.2	13.5
Garton	†N	122	—	134	91	4.85	4.7	-
Glynwed Intl	♣N□	336	+1	404	321	887.9	4.3	19.7
Goodwin	N	41	—	43	33	2.95	2.0	♦
Graystone	♣N□	12½	—	14½	10	34.3	2.4	10.8
Haden Mac	♣N□	72	—	*85	61	79.1	3.5	18.8
Hadleigh Inds	♣†N	129xd	—	131	90	8.94	2.4	14.6
Hall Eng	♣†N□	165	-5	328	143	52.8	8.1	12.9
Halma	♣†N□	218	—	258	204	438.5	1.5	25.2
Hampson Inds	♣†N□	36	—	73	47	34.3	4.8	10.4
6½p Net Pf		98	—	130	86	7.74	8.3	-
Hay (N)	N	28	—	48	28	3.90	-	-
Hill & Smith	†N	134	—	*184½	132	44.8	5.4	14.5
Hopkinsons	♣N□	52	—	63	39	40.6	3.1	-
How	♣N	34	—	41	27	14.2	2.8	-
Howden	N□	86	—	*103	78	250.2	3.5	14.1
Hunting	♣N□	165½xd	—	*285	157	181.8	7.6	23.8
8¼pc Cv Pf		99	—	146	88½	47.5	10.4	-
IMI	♣†N□	318	—	379	285	1,038	4.0	27.0
Ipeco	N	83	—	85	70	22.9	5.4	15.4
Johnson & Firth	♣N□	40½	+½	51	33½	58.9	-	-
Johnson Matthey	♣†N□	547xd	+1	628	468	1,048	2.8	20.4
Jones & Shipman	N	30	—	32	25	7.71	-	-
Kelsey Inds	N	292	—	320	230	8.97	3.4	-
Kobe Steel Y	□	181¾	-2¾	218½	152	5,434	-	-
Lincat	♣N	284	—	288	205	18.7	3.3	18.5
Locker (T)	♣N	16xd	—	28	18	1.88	3.1	-
A	♣N	11xd	-½	20½	11	3.30	4.5	-
ML Hldgs	†N□	36xd	—	*49	35	85.4	4.1	12.2
MS Intl	♣†N	26	—	67	26	7.13	7.2	15.7
Mackie Intl	♣N□	184	—	185	176	17.7	4.1	7.6
Manganese Bzs	♣N	137	—	179	129	22.8	3.6	10.7
McKechnie	N□	384xd	+2½	538	381½	374.9	4.8	22.6
Meggitt	♣N□	79½	—	120	71½	165.7	6.4	12.3
Metalrax	♣†N□	104	—	*120	101	94.5	4.5	17.3
Metsec	♣†N	131	—	133	99	20.2	2.9	18.2
Molins	♣†N	602	—	589	502	170.7	3.9	10.1
Morgan Crucible	†N□	315xd	—	408	310	669.2	5.1	15.3
7½pc Cv Rd Pf		135xd	—	171	127	49.5	6.9	-
Morris Ashby	♣†N	205	—	217	176	23.9	3.8	14.6
Neepsend	N□	35xd	—	51	34	8.59	4.5	17.6
Neotronics	♣N	51	—	128	51	13.2	6.4	11.0
Newmark (L)	N	45	—	69	45	2.09	-	-
OMI Intl	♣gN□	38½xd	—	*69¼	39	19.3	5.5	-
Optometrics	†N□	14	-1	27	13½	1.40	-	-
Oxford Instr	♣†N□	338	+1	358	277	164.6	1.9	19.8
Powerscreen	♣†N□	247xd	+3	361	216	216.4	3.8	10.4
Prospect Inds	♣†N□	13½xd	—	23¼	13½	28.8	7.7	7.0
Protean	†N	207	+1	218	193	69.9	3.1	15.9
Quadramatic	♣N	183	—	215	155	88.3	4.5	♦
Radiant Metal	N	73	—	168	60	0.99	-	-
Ransomes	N□	59	—	71	13	33.6	-	♦
8¼p Pf		87	—	88½	53	49.3	11.9	-
Record	N□	84	—	*95	70	28.0	5.4	16.9
Renishaw	♣N	274	—	*281	243½	147.4	3.0	23.1
Renold	♣†N□	184½xd	+½	188	125	122.5	2.0	25.6
Richards Grp	♣N□	59	+2	73	51	4.86	4.8	41.5
Richardson West	†N	77	—	*104½	76	27.7	5.3	16.9
Rolls-Royce	†N□	172xd	+2½	*204	161	2,109	3.6	30.2
Rotork	♣†N□	185	—	195	156	144.2	3.3	16.8
Rowspor	□	21½	—	27	21½	10.6	-	62.2
Rubicon	♣N□	140	+1	*180	134	36.6	4.1	15.8
Senior	♣†N□	82	—	*150½	72	247.1	5.2	13.4
Servomex	♣N□	260	—	270	245	28.6	3.1	28.4
Siebe	♣†N□	536	-1	536	500	2,294	2.7	17.1
Simon Eng'g	N□	87	—	*139½	75	136.1	-	-
Sloanmetal	♣N□	307¼	+3½	381	273½	221.4	1.8	41.3
600 Group	♣N□	77xd	—	70	15	41.5	2.4	26.8
SKF Skr	□	£11⅞	+⅛	£14⅛	£10⅛	725.0	-	-
Smiths Inds	♣N□	432xd	-1	527½	411	1,283	3.8	16.6
Spirax-Sarco	♣N□	453	—	465	337	352.4	2.7	19.3
Steeling Inds	♣†N	228	—	267	197	68.8	3.9	14.6
Symonds Eng	♣†N	33xd	—	42	25	3.60	1.3	-
TI Group	♣†N□	371	+5	405	343	1,736	3.9	20.5
Tex	♣	48	—	61	36	3.05	-	-
Thyssen DM	□	£122⅞	-⅛	£138⅞	£107⅛	866.4	-	-
Tinsley (Eliza)	♣N	102	-2	121	92	7.35	7.0	16.3
Tordey Carlisle	□	32	—	38	25	5.19	-	-
TransTec	♣N□	60xd	—	105	45	50.8	8.9	8.8
Triplex Lloyd	N□	129	+1	*163	125	85.6	8.9	-
Turnpike		21½	—	25½	7	2.09	-	-
UMECO	♣N	66	—	*71	39	7.01	4.4	13.6
Utd Industries	♣†N	16½xd	—	18½	12	38.9	8.8	-
VSEL	♣†N□	1540	—	1540	980	510.8	3.3	12.6
Vernon Intl	N□	13	—	31½	12	22.2	-	-
Vickers	♣†N□	177	—	*204	163	583.4	2.5	18.7
Victaulic	♣†N□	231	+1	327	230	102.1	4.4	12.7
Villiers		9½	—	*19	9½	11.2	-	-
Vinten	♣†N□	530xd	—	531	451	218.4	1.9	13.9
Vosper Thorn	♣†N□	722xd	—	805	651	230.3	3.3	15.6
Wagon Indl	♣†N□	453	—	527	451	210.2	5.1	22.7
7.25p Cv Pf		138	—	154	137	28.1	8.6	-
Weir	♣†N	273	-1	*354¼	246½	535.9	3.0	16.3
Wellman	†N□	41	—	48½	37½	49.7	1.1	66.3
Wescol	♣N	34	—	38	20	7.48	1.3	26.3
Whatman	†N	370	—	546	365	88.1	3.5	13.6
Whessoe	♣N□	126	+2	*204	90	37.6	2.2	-

ENGINEERING, VEHICLES

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Airflow Stream	†N	158xd	—	169	108	13.6	3.1	15.6
Automotive Precsn	N□	118	—	120	100	48.2	4.2	36.9
Avon Rubber	N□	479	—	*639	474	127.4	4.5	♦
BBA	♣N□	203	+3	*236	173	827.8	2.6	-
6¾pc Cv Pf		138½	+3	186	121	112.2	8.5	-
BSG Intl	♣N□	58½xd	—	*86½	54	165.5	7.2	34.7
Benson	♣N□	8½	-½	19½	8½	11.1	4.8	11.7
Bestrom	♣N	300	—	306	180	47.4	2.3	17.1
Boxsted	♣□	23	—	28½	17	15.1	5.5	-
Daimler-Benz DM	□	£288¼	-3⅛	*£302¼	£274¼	15,288	4.7	-
ERF	♣†N	324	—	332	275	31.8	1.9	-
First Tech	♣†N□	278	—	370	296	57.5	1.8	21.2
GKN	♣N□	587	-5	*660	510¼	2,071	4.3	34.9
Honda Motor	♣□	1096	-5¼	1199	686	10,679	0.8	71.4
Ingham	♣N	67xd	—	*164	58	18.7	9.3	15.6
Laird	♣†gN□	348xd	-1	*432¼	331	499.8	3.9	16.7
Leeds	♣N	345	—	350	293	6.90	-	-
Lucas Inds	N□	198xd	+2	229	158	1,586	4.4	-
Warrants		36¼	+¼	86	25	28.9	-	-
Mayflower	♣†N□	59	—	*84	50	98.6	3.5	20.3
Mid-States	♣N□	116	—	124	81	31.2	-	8.6
Motor World	N	283	—	376	283	34.7	3.4	11.1
Scholl Inds	♣†N	4½	—	16½	4½	4.09	-	-
Syltone	♣N□	161	—	176	148	26.9	3.8	17.6
T&N	♣N□	168	—	281	157	836.8	3.8	13.8
Trinity	†N□	316xd	+1	333	283	182.4	2.8	22.9
UPF	♣N□	182xd	-1	185	108	61.3	2.8	♦
Volkswagen DM	□	£189¾	-1⅜	£219⅞	£159¼	4,558	5.3	-
Volvo B Skr	♣□	£11⅝	-⅛	*£16⅛	£8⅝	3,498	1.1	-

EXTRACTIVE INDUSTRIES

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
AFMIN R	♥Z	4	—	4	2	0.98	2.5	-
Anderson Res I£	♣†□	13½	—	24	13	1.80	-	-
Anglesey		7	—	9½	5	2.08	-	-
Ang Am Coal R	†	£36⅛xd	—	£36⅛	£17¼	980.5	2.6	19.5
Anglo Amer R	†□	£23⅛	+⅛	£37⅛	£23⅛	8,197	2.1	31.9
Ang Am Gold R	†	£83⅛	+⅛	£73⅛	£45⅛	1,525	4.3	16.8

EXTRACTIVE INDUSTRIES - Cont.

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Anglo Pac Res	♣†□	28¼	—	36	25	28.8	-	-
Anglovaal R		£19⅝	—	£19⅝	£13⅝	657.9	1.1	28.3
Aquarius Expln A$		3	—	5	2¼	1.61	-	-
Ashanti	□	£12⅞	+⅛	£20⅛	£11⅞	1,121	-	-
Ayer Hitam M$	♥	98	-2	162	82	8.23	5.1	-
Balorchik Gold	□	243	—	404	230	38.5	-	-
Beatrix R	a	386	—	461	294½	384.6	4.6	21.7
Bisichi Mining 10p	♣N	34	—	38	34	3.38	2.5	29.4
Blyvoor R		107½	—	184	90¼	25.8	-	-
Boulder Group A$		24	—	27	19	14.6	-	-
Bracken R	a	18	—	27	12½	2.31	5.0	-
Buffels R		589¼	+3½	988	513	662	8.4	♦
Burmine A$		129	-4½	159½	101	48.2	-	-
Butte	⊥	3	—	6	2½	7.05	-	-
CRA A$	♥	894	+15	898	745¼	5,282	2.5	28.4
Caledonia Min C$	♥	530¼	-1¼	587	35	104.2	-	-
Canyon Pacific	♥♣	21¼	—	32¼	14¼	2.58	-	-
Charters Towers		37¼	+¼	47	7½	20.8	-	-
Cluff Res	N□	42	—	55½	38	28.8	-	-
Coal Invs	⊥□	76	—	*143	29¼	44.5	-	-
Warrants	□	33	—	88	15	-	-	-
Cons Murch R		186	—	380	66	12.2	3.2	♦
Croesus A$	♥	16¼	+1	22	13¼	18.4	4.5	8.5
De Beers Lkd Uts R	†	£14⅛	+⅛	£17½	£13⅝	5,513	3.7	16.2
40pc Pf		305	—	387½	312½	23.2	11.4	-
Delta Gold A$	♥	136	+11	227	115	231.7	-	-
Deelkraal R		104¼	—	148	88	103.8	3.4	9.1
Devex A$		30¼	+¼	38	25¼	38.2	-	-
Dominion A$	♥♣	16	+½	28¼	15¼	68.9	-	6.6
Doornfontein R		51¼	—	101¼	39½	20.7	-	-
Dragon Mining A$	♥	5½	—	13¼	5¼	2.73	-	-
Driefontein R		891¼	-12¾	1036½	665¾	1,218	4.8	13.0
Durban Deep R		623¼	+37½	907¼	527¼	14.5	-	-
ERGO R	†	146½	-½	203¼	107	67.2	16.1	4.7
Eagle Mining A$		71	-1¼	81¼	5½	38.3	-	-
East Rand Prp R		76	—	122¼	58½	108.8	-	-
Eastern Trans R	‡	70	—	76	45	69.4	3.2	16.7
Eastvaal Gold R		125	—	263	78	175.6	-	-
Elandsrand R	‡	388	-8½	513	380½	376.1	4.2	8.9
Eng China Clays	♣N□	349	-2	*447¼	320	1,030	6.9	16.4
Ennex	♣N	61	-1	96	61	11.1	1.5	7.8
Ennex Intl I£	♣□	12	+1½	19	9¼	18.1	-	-
Equatorial Min A$	♥	17¼	-½	30¼	16¼	19.5	-	-
FS Cons R	‡	887¼	-8¼	1220	741¼	1,855	8.6	10.9
Falcon Inv		338	—	413	388	6.75	5.3	5.1
Free State Dev R		88	—	82	27	13.3	2.1	-
GM Kalgoorlie A$	♥	46	-3	86¼	45	428.7	3.3	15.9
Geevor A$	♥♣	16	+1	28¼	14¼	8.99	-	-
Gengold R		145	—	146	92	428.7	2.6	11.7
Gencor R	□	217½	-¼	228¼	180½	2,986	1.2	27.8
Glencar Expl I£	♣†⊥	48	—	48	15	13.8	-	-
Gold Fields SA R		£19⅛	—	£28⅛	£11⅞	1,798	2.0	27.5
Gold Mines Aust A$		19¼	-1	37½	19¼	12.4	-	-
Greenwich Res	♣□	16¼	-¼	22	14	14.3	-	-
Grootvlei R	a	133½	+7	282	105½	17.8	6.2	8.0
Gwalia Cons A$	♥	86¼	-2	95¼	87	48.5	1.1	10.1
Harmony R		487¼	+18¾	666½	319¾	133.2	-	-
Hartebeest R	‡	280¼	+37½	439	269¼	331.9	9.5	8.7
Hemlo Gold C$	z	69¼	+⅛	67¾	24¼	584.4	4.5	-
Impala Plat R		£15¼	+⅛	£18⅛	£9⅛	955.9	1.7	46.4
Interrain Res A$		21¼	—	37¼	15½	1.25	-	-
Int'l Mesto C$		553¼	-17¼	837¼	497	85.9	-	-
Iverain West I£	♣†□	31	+1	38	36	25.8	-	-
Joel (HJ) R		83	—	*100	33	162.6	-	-
Jo'burg Cons R		216¼	—	£17¼	£11½	2,437	2.2	♦
Julia A$	♥	14½	+½	17	8¼	14.3	-	-
Kenmare I£	□	12½	—	18¼	9½	9.30	-	-
Kenor	♣	34½	—	37	28	11.1	-	-
Kidston Gold A$	♥	136	-5	230	118	168.8	8.9	12.2
Kingstream Res A$		28¼	+2	39	14¼	4.06	-	-
Kinross R	a	£10⅛	—	£13⅞	£6⅞	180.0	4.6	14.5
Kloof R		883¼	-8¾	1094¼	588¼	1,234	3.8	9.1
Leslie R	a	102¼	+3	137	68¼	18.4	10.5	8.8
Loraine R		275	+6¼	388½	175¾	45.8	-	-
MIM A$	♥	184	+1	182	183	1,405	2.4	-
Malaysia Mins M$		186xd	—	144	77	443.2	1.2	17.7
Meekatharra A$	♥	28	-1	30	17	17.2	-	-
Middle Wit R		186	—	286	142	866.8	1.0	54.4
Millagro Minls A$		27	+½	35	18	1.72	-	-
Minmet I£		2¼	—	6½	2¼	2.60	-	-
Minorco $		£24⅛	—	£27⅞	£14⅞	3,323	2.5	♦
Molopo A$		7	—	9¼	4¼	2.86	-	-
Monarch Res		182	+2	394	158	87.5	-	-
Montague A$	♥♣	16	—	17¼	8¼	3.82	-	-
Mount Burgess A$	♥	9	—	57	7	2.52	-	-
NSM	N□	83	-1	*202½	68	55.8	-	8.7
Navan Res I£	♣□	135	—	161	125	47.3	-	-
5pc Ln Notes		132¼	—	182½	125¼	17.8	-	-
New Wits R		299	—	278	170	76.6	3.7	19.2
Niugini Min A$	♥	198½	-½	291¼	189½	164.4	-	-
Normandy Pos A$	♥	83	—	129¼	82	403.8	3.6	13.9
Northam Plat R		88	—	134	86	58.4	-	-
NB Hill Peko A$	♥	180	+2	201¼	146½	1,071	3.4	22.5
Odon Res A$		38½	-¼	135	55½	38.5	-	-
Oryx Gold		90	—	94	45	-	-	-
‡‡Oxus Res I£		22	—	34	21	1.53	-	-
Pacific Arc Expln		2½	—	6¼	1½	-	-	-
Pancont'l A$	♥	74	—	101	65	104.3	-	-
Paramount Vntrs		46¼	+4½	86½	21½	6.31	-	-
PerJya A$		46¼	-2¼	66¼	33¼	43.0	-	-
Perseverance A$		29¼	-1	33	16¼	7.77	-	-
Petaling M$		280	-5	403	250	52.4	0.5	-
Placer Pacific A$	♥	172	+8	199	122½	1,073	-	-
Portman A$		34¼	-¼	83¼	32¼	14.3	-	-
PosGold A$	♥	119½	-9½	282¼	107¼	637.2	4.1	16.1
Precious Metals A$	♥	17¼	—	28	14¼	6.99	-	-
RJB	†N□	340	—	425	327	157.4	4.4	16.8
RTZ	N□	828	+14	905	750	8,813	3.1	23.5
Rockwood	N□	32	—	49	31	5.14	-	-
Randex R		55	—	85	7	4.80	-	-
Rand Mines R		850	—	859	187½	367.7	1.7	♦
Randfont'n Est R	‡	847¼	+23½	840¼	547½	366.8	7.6	8.2
Redaurum C$		72½	-¼	105½	51½	38.4	-	-
Renison R	♥	228	-7	295	207	463.3	-	-
Resolute Res A$	♥	40¼	+¼	110¼	43¼	166.7	-	-
Reunion Mining	♣	78	+2	*78	66½	19.9	-	-
Rustenburg R		£16⅛	+⅛	£18⅛	£10⅞	2,604	1.8	♦
Samson Expl A$	♥	2	—	3¼	1¼	1.58	-	-
St Barbara A$		75	+1	112	66	-	-	-
St Helena R	a	583¼	-½	758	503¼	54.3	7.8	♦
Spa Res A$		12½	—	28¼	10¼	11.6	-	-
Sons Gwalia R	♥♣	228	+5	*280	195	162.4	5.4	14.1
Southvaal R	†	£17½	-⅛	£26⅛	£14⅛	486.4	5.0	20.2
Stanvin	♣†N□	8¼	—	3	6¼	2.52	-	-
Stilfontein R	a	74½	—	143	73	9.78	28.7	2.5
Straits Res		89½	-5¼	72	50¼	29.8	-	-
Unisel R	a	109¼	-¼	281¼	90	47.1	3.5	12.8
Vaal Reefs R	†	£54⅛	-⅛	£78	£49⅛	1,033	4.7	8.8
Vogels R		170	—	170	51	31.3	4.0	16.1
Wankie Col Z$		12	—	23	7½	12.2	10.3	2.9
Walhalla A$		4½	—	10½	4½	3.05	-	-
Watts Blake	♣†N	533	—	545	450	118.9	2.9	20.1
Waverley	♣□	98	—	123	33½	21.9	-	-
West Rand R		110	—	125	55	18.4	-	-
Western Areas R	‡	987¼	+99	1213½	508¼	398.1	5.3	12.7
Western Deep R	‡	£25⅛	-⅛	£35⅛	£20½	788.4	4.1	8.7
Western Metals		33¼	+1¼	35	27½	37.7	-	-
Western Mining		348	+5	*388	300¼	3,844	1.1	51.6
Willoughby's	†N	123	—	128	88	4.46	2.0	8.4
Pfd	†N	115	—	123	61	7.59	2.2	7.8
Winkelhaak R	a	£9⅛	+⅛	£12⅛	£8⅛	181.3	5.7	11.6
World Flds I£	♣†⊥□	8	—	38	8	7.17	-	-
Zambia Cpr SBD		59	—	69	47	61.3	-	-
Zandpan R	‡	48	—	68	48	62.5	9.3	10.8

FOOD MANUFACTURERS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Acatos & Hutch	N□	294	—	366	246	146.3	4.4	♦
Albert Fisher	♣gN□	45xd	—	*74	40	318.4	10.3	15.3
Assoc Brit Foods	♣N□	563	+6	607	499	2,633	3.6	11.5
Avonmore I£	♣N□	123	—	166	113	92.8	3.8	8.7
Banks (SC)	♣N	215	—	270	216	18.5	5.7	8.2
Barr (AG)	†N	380	-3	383	305	72.8	2.2	24.5
Bensons Crisps	♣N	38	—	*72	35	6.98	7.1	-
Booker	♣†N□	402xd	+1	481	378	981.7	6.8	14.8
Bols Wessanen	□	£12½	+⅛	£16⅛	£11⅛	1,009	3.7	11.2
Borthwicks	♣N□	49xd	-½	56½	48	28.3	3.3	23.3
CPL Aromas	⊥N□	203xd	—	212	156	22.1	1.8	19.4
Cadbury Schweppes	♣†N□	400	+5	*545	382	3,330	4.8	13.2
Canadian Pizza	♣N□	88	—	226	86	15.2	8.5	6.8
Carr's Mill	♣N□	229	—	232	143	15.7	3.5	♦
Continental Foods	♣□	2¼	—	5	2	16.3	-	15.0
Warrants	□	1¼	—	1½	1	1.39	-	-
Cranswick	N□	143	—	*167	130	19.9	7.4	11.7
Dalepak	♣†N□	108	+1	184	90	12.5	1.7	♦
Dalgety	♣N□	418xd	+1	543	389	860.1	6.3	11.7
Daniels (S)	N	84	—	87	50	4.46	6.7	-
Danone FFr	□	£90⅛	-⅞	£114⅛	£82⅞	6,272	3.0	10.0
Devro Int'l	WN□	218	-1	284	210	290.2	3.6	14.5
Envrest	♣N	66	—	101	52	18.5	4.8	24.4
Finlay (J)	♣N	66xd	+1	88	61	65.8	7.9	9.0
Global	♣†N□	14	—	28½	13	16.9	4.5	12.8
Golden Vale I£	♣N□	99	—	121	49¼	97.3	4.3	5.9
Grand Central	⊥□	48	—	68	38	19.8	-	-
Greencore I£	♣N□	395	+3	395	325	330.8	3.3	♦
Hazlewood	♣N□	108xd	—	194	104	253.1	7.7	6.8
Hillsdown	♣N□	179xd	+1	198½	151	1,221	6.2	12.5
Hobson	♣N□	22½	—	28	16	87.9	-	-
IAWS A I£	♣N□	92	—	84	76	40.6	3.8	♦
JLI	†N□	89	—	111	89	36.9	6.9	12.3
Kelsoi KSh	b	180	—	193	115	36.8	0.8	64.7
Keys Food	♣	4¼xd	—	5¼	3¼	3.68	-	-
Kerry Group A	♣†N	345	—	385	250	538.4	1.0	16.7
Linton Park	♣N	348	—	409	313	58.6	6.3	9.9
Man ED & F	♣N□	172	+2	181	160	442.8	6.4	9.3
Matthews (B)	♣N□	118	—	127	85	146.2	2.9	14.2
Moran	♣N	58	—	62	40	7.99	-	-
Nestle (Reg) SFr	♣□	£566⅞	+⅞	£593⅞	£511⅞	23,618	2.0	♦
Nichols (Vimto)	♣N□	231	-2	246	205	91.5	3.2	14.8
Northern	♣N□	213	-1	271½	193	1,284	5.3	10.8
Northumbrian	♣□	16½	—	*14	9	6.45	-	-
Paterson	♣N	24	—	*46	24	3.67	-	-
Perkins	♣N	57	—	81	62	32.7	8.3	11.2
Polyphoed (CP) $		19	—	36	15½	23.8	4.8	♦
Robert Wiseman	N□	181	+1	195	93	84.4	3.1	15.1
Sentry Farming	♣N	84	—	96	73	3.91	3.3	8.5
Sims	♣N□	79xd	—	122	71	28.9	12.0	♦
Tate & Lyle	♣†gN□	418xd	+7	487½	382	1,904	4.3	9.8
7¼p Cv Rd Pf		189½	+3	213½	178½	469.9	4.8	-
Treatt	♣†N	203	+1	238	145	19.3	2.5	16.5
Unigate	♣†N□	338xd	+2	434½	317	791.9	5.5	9.2
Unilever	♣†N□	1130xd	+15	1247	958	8,251	2.8	18.4
Unilever NV Fl	♣†N□	£72½	+⅛	£81⅛	£64⅞	11,645	3.0	14.7
United Biscuits	♣N□	325xd	+8	*388	293½	1,769	5.9	26.5
Usborne	□	28xr	—	*98¼	25	6.04	-	-
Waterford A I£	♣N	56	—	115	50	63.6	4.0	7.4
West Trust	♣	37	—	*48	33	15.7	8.6	25.6
Whitworth	♣N□	57½	-½	82	57	7.88	2.7	12.0
Williamson	N	1300	—	1300	610	39.6	2.4	8.5
Yorkshire Food	♣†N□	103	—	133	99	48.8	4.0	12.2

GAS DISTRIBUTION

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
British Gas	N□	307½	+2½	358	253	13,239	5.9	-
Calor	♣N□	280xd	-2	375	258	461.8	5.8	12.9
Flogas	†N	280xd	—	303	263	68.9	5.8	11.6

HEALTH CARE

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
AAH	♣N□	333xd	-3	544	325	298.8	6.7	11.7
APTA Healthcare	†N□	18xd	—	*21	14½	11.2	7.0	-
Amersham	♣†N□	852xd	—	1141	850	491.8	2.3	17.9
Anagen	□	81	—	81	43	23.7	-	-
Arjo AB		£11⅛	—	£13⅛	£9⅛	-	-	-
Assoc Nursing	♣†N	208	—	*207¼	205	34.1	1.4	12.1
Baxter Int $	□	£17⅞	-⅛	£18⅞	£14⅞	4,711	4.0	-
Bespak	♣N□	276	+3	353	243	70.3	4.6	14.3
Biocare		21	-1	46	19	7.89	-	-
Biotrace Intl	♣□	93	—	163	92	28.8	-	-
Care UK	♣N□	6½	—	10	5	22.1	-	-
Celsis Intl	♣□	74	—	115	60	44.4	-	-
Community Hspl	♣N□	242	-1	257	232	80.3	4.1	14.0
Court Cavendish	N□	234	—	270	212	52.9	2.1	19.7
Cortecs	♣	38	—	47	33	42.6	-	-
CrestaCare	♣N	29	—	44	22	55.8	3.3	-
Drew Scientific	♣□	21	—	83	21	8.07	-	-
Endowood	♣N□	113xd	+1	146	95	26.0	1.8	♦
Eyecare Products	♣	31	—	38	25	25.8	-	-
Ferraris	♣N	86xd	—	*119	82	8.69	3.3	♦
Goldsborough Hlth	♣N□	146	—	171	134	84.9	2.0	♦
Greenacre	♣†N	15½	—	16½	9¼	17.7	4.2	13.3
Hawmed	N□	23	-3	163	20	4.88	-	-
Healthcall	WN□	84	—	186	83	51.9	5.3	13.3
Hadleigh Tech	♣†N	423	—	513	402	121.1	1.5	20.0
Intercare	♣N□	45	—	156	39	12.8	10.4	♦
Isotron	♣N	280	—	326	230	38.0	2.1	♦
Kynoch	♣	20	—	39	18	3.85	-	5.8
Life Sciences	†N□	128	—	171	107	222.8	4.0	12.7
London Intl	♣N	85	—	*152¼	74	297.8	-	-
ML Labs	♣N□	142	—	274	142	108.2	-	-
Medor-BNA	♣N□	46	—	80	42	34.4	8.6	11.4
Polartechnics		74½	+2¼	182	64	-	-	-
Premier Health		1½	—	3	1¼	4.34	-	-
Quality Care Homes	N	253	—	330	227	35.4	2.2	14.7
Scholl	N	132	—	*216	123	89.0	6.1	12.7
Seton Health	♣†N□	318xd	+5	*363	275¼	131.7	2.7	16.2
Shield Diagnostics	♣□	66	—	83	44	10.2	-	-

HEALTH CARE - Cont.

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Smith & Neph	†N□	167½	+¼	175½	136½	1,888	4.1	16.9
Spectralsyst	♣□	8	—	23	9	1.40	-	-
Takare	N□	209	—	292	192	280.6	1.3	17.4
Tenrafil	N□	3¼	—	*3	1¼	4.86	-	-
Tepnel Life Scies	♣N	82	—	185	51	12.8	-	-
UniChem	♣†N□	289xd	—	*313	245	444.7	3.3	18.8
United Drug I£	N	209	—	*218	190	31.3	6.3	♦
Westminster Hcare	♣N□	340	—	409	294	173.4	1.7	♦

HOUSEHOLD GOODS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Airsprung	N	205½	-3½	332	205½	40.1	2.9	12.7
BLP	♣N	181	—	180	115	10.0	0.6	41.4
Bilston Bate	♣†	35	—	*39	26	2.65	-	-
Black (P)	♣N□	227	—	286	226	136.8	2.5	16.3
Churchill China	N□	280	—	287	280	38.3	4.3	13.8
Colodale & F	N□	68	—	82	58	17.5	1.6	48.2
Cornwell P'ker A	♣N	98	—	167	91	38.8	7.3	21.9
Creighton Nat	N	175xd	—	285	175	8.23	5.4	12.5
Delaney	⊥□	7½	—	*11½	3	1.05	-	36.5
Denby	♣N□	149	—	165	133	48.4	2.6	♦
Ebler	N	14	—	28	14	1.77	-	-
Floe Decor	†N	184	—	273	183	24.2	4.1	11.3
Gaskell	N	135	—	186	113	6.58	3.9	-
HP Intl I£	♣†N	342xd	—	389	328	117.8	3.2	10.8
Jeyes	♣N□	180xd	-4	305	155	31.8	6.5	38.7
Le Creuset FFr	♣N	221	—	285	200	41.8	2.3	18.2
Lionheart	♣N□	4½	—	14	4½	8.32	5.3	-
Mayborn	♣†N	185	—	221	166	38.7	4.0	12.3
Ormonde & L	♣†N	380xd	+3	430	230	23.7	2.4	11.8
Pal'son Zoch	N	640	—	695	428	108.8	3.9	13.0
A N/V	N	413	—	695	413	98.4	4.1	12.1
Portmeirion	♣†N	480	-2	500	445	48.3	2.5	16.5
Reckitt & Colman	♣†gN□	595xd	+10	*714¼	528	2,198	3.9	14.8
8½p Cv Cap		138¼	+2¼	180¼	128½	274.6	6.9	-
Relyon	†N	247	—	281	211	82.4	2.7	45.1
Royal Doulton	♣†LN□	395	+1	313	218	140.3	3.3	-
Silentnight	♣N□	190xd	-1	278	194	91.9	5.1	12.4
Stoddard Sken	♣N□	28xd	+½	46	27½	18.2	6.9	10.9
Swallowfield	†N	185	—	196	113	18.3	3.9	22.9
Toms (John)	♣N	71xd	—	102	71	19.8	7.1	18.3
Tomkinsons	N	280xd	—	338	208	13.0	6.8	♦
Victoria Carpet	N	140	—	188	125	9.47	4.0	7.5
Vymura	⊥□	112	—	169	109	28.1	4.5	10.8
Walker G'bank	♣†N□	108	—	114	97	102.3	4.0	18.9
Waterford I£	♣□	67	—	83	44	484.8	-	44.4
Wood (P)	N	155	—	155	155	3.10	2.4	31.2
Wyefield	N□	43	—	78	43	10.9	-	9.1

INSURANCE

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Abtrust Lloyds	♣N□	49xd	—	97	78	34.9	2.8	-
Warrants	□	34	—	46	32	2.04	-	-
Alex & Alex $		£12½xd	—	£14⅞	£9¾	531.1	5.5	-
11pc Cv $		250	—	280½	250	137.6	14.7	-
Allianz DM	♣□	£1003⅜	+7⅜	£1130½	£738	13,570	1.3	-
American Gen $		£17⅛	—	£20⅞	£15⅞	3,749	4.2	-
American Int $		£62⅞	+½	£63⅛	£54⅛	18,724	0.4	-
Angerstein	N□	98	—	112	84½	88.1	1.7	73.4
Warrants	⊥□	35	—	46	31	4.22	-	-
Aon $		£20⅜	+⅛	*£22¼	£18⅛	2,036	4.1	-
Archer	♣N□	87	—	96	47	20.8	2.2	-
Bradstock	♣N□	92	—	165	85	68.4	8.1	♦
CLM	□	96	—	117	88½	42.8	1.6	83.6
Comm Union	N□	527	+17	*701½	481	3,403	4.7	16.9
Dollan Lloyds	N□	97	—	100	96	40.4	0.6	-
Duna & Gev	N	1850	—	1850	1650	112.5	2.1	17.7
Fenchurch	N□	140	—	194	140	92.1	6.5	♦
Finsbury Unwriting	♣N□	97½	—	114	89	29.2	1.7	62.9
GRE	♣†N□	160½xd	+6½	247	161	1,677	6.4	20.2
Gen Accident	†N□	531xd	+32	757	491	2,485	6.6	8.6
HCG Lloyds Inv Tst	♣†N□	92	—	105	80	80.0	1.8	77.5
Heath (CE)	♣N□	240xd	—	457	211	161.9	8.1	-
Hibernian I£	N	187	—	245½	177¼	88.4	5.2	7.0
Hiscox Select	♣N□	108	—	114	86	32.4	1.7	-
Independent Insce	†N□	285	+6	323	238½	118.1	4.1	7.2
JIB	♣N□	124	+1	203	118	158.8	7.6	11.4
Lloyd Thompson	♣N□	161	—	200	157	128.1	6.1	10.8
Lombard Insce	♣LN□	170	—	186	169	82.7	5.5	16.8
London Insc Mkt	†N□	98½xd	+½	139	91	278.6	2.5	34.7
Lowndes Lam	♣†N□	192xd	-1	*236	155	68.1	6.0	10.0
Marsh McLen $		£49⅞	+1⅛	£59⅞	£45⅞	3,644	3.8	-
Medfleet	□	98	+1	116	84	38.5	-	-
Nelson Hurst	♣N□	176	—	186	147	79.1	4.0	17.5
New London Cap	ZN□	87	—	106	76	52.2	1.4	♦
Orion	♣†gN	102	—	*129¼	102	24.8	6.1	♦
PWS	♣N□	35	—	83	31	38.8	10.7	5.8
Premium Trust	♣N□	75½	—	86	75	14.8	3.3	♦
Prestige Unwriting	⊥□	111	—	124	101½	14.7	-	-
Royal Insce	†N□	284	+2	*380	232½	1,838	4.0	8.6
Sedgwick	♣N□	151	+2	*222	136	689.6	8.0	17.1
Skandia Skr	♣□	£11⅛	+⅛	*£13⅛	£9⅛	1,172	1.5	9.1
Steel Burrill J	♣N□	128	—	198	126	57.5	8.4	-
Sturge	♣N□	73	—	87	54	38.9	8.3	-
Sun Alliance	†N□	307	+6	413	285	2,493	6.1	8.5
Syndicate Capital	♣N□	88	—	101	91	26.8	1.8	70.8
Warrants	□	31	-1	43	21	1.98	-	-
Topdanmark DKr		£66⅛	-⅛	£134⅝	£63⅛	188.8	1.8	-
Trade Indem	♣†N□	68	—	81	45	109.7	1.9	13.4
Willis Corroon	♣N□	136xd	+2	245	129	577.8	6.0	18.3
Wacker	♣N□	23	—	26	20	7.87	2.6	♦

INVESTMENT TRUSTS

Approved by the Inland Revenue

	Notes	Price	+ or -	1994 high	1994 low	Yld Gr's	NAV	Dis or Pm(-)
3i	♣†N□	331	-½	338	280	2.8	334.4	-2.8
Aberforth Smlr	♣N□	185	—	211	164	3.5	182.4	-1.6
Warrants		85	—	120	84	-	-	-
Aberforth Split Inc	N	66	—	97	64	12.8	-	-
Cap		187	—	225	164	-	252.8	33.9
Units	N	256	—	320	256	4.1	258.8	1.8
Abtrust Emg Econ	♣N□	82	—	109½	78½	0.3	93.0	11.8
Warrants		42	—	68	34½	-	-	-
Abtrust Euro Index	♣N□	76	—	98	75	1.3	85.5	11.1
Warrants		16½	—	22½	16	-	-	-
Abtrust High Inc	♣N□	82	—	102	82	8.7	92.0	11.8
Abtrust Latin Amer	□	82	+1	98	70	16.4	-	-
Warrants	□	46	—	62	45	1.80	-	-
Abtrust New Dawn	♣N□	217	—	280	205	0.8	227.7	4.7
Warrants		185½	—	221	148	-	-	-
B Warrants		134½	—	167	109	-	-	-
C Warrants		58	—	68	58	-	-	-
Abtrust New Thai	♣N□	137	—	183	116	0.8	171.2	20.0
Warrants		58	—	76	50	-	-	-
Abtrust Prt Inc	♣N□	105	+2	146	101	14.3	87.5	-16.7
Zero Div Pf		165½	+½	165½	153½	-	-	-
Abtrust Scotland	♣N□	36½	—	41	32½	2.5	41.3	14.0
Warrants		8	—	16	8	-	-	-
Albany	†N	121	—	*143	115	4.3	136.3	11.2
Alliance Tst	♣†N	1715	+10	2058	1678	3.6	1880.6	8.8
American Tst	♣†N□	240	—	283	247	2.7	269.9	11.4
B		240	—	286	240	-	-	-
Amicable Smlr	♣N□	128	—	185	118	3.3	128.6	0.5
Warrants		48	—	77	48	-	-	-
Anglo & O'seas	♣N□	412	+2	479	401	2.2	464.7	11.3
Archimedes Inc	N	255	—	278	220	13.8	-	-
Cap		418	—	433	355	-	638.5	35.8
BZW Commodities	♣□	86	—	98	84	-	98.8	14.0
Warrants	□	37	—	47	37	-	-	-
BZW Conv	N□	132	—	161	117	7.5	108.4	-17.9
Eq Ind 96-2		146	—	176	145	1.3	-	-
Baillie Giff Jap	♣	638	-2	798	622	-	688.8	7.4
Warrants		283	—	298	73	-	-	-
Baillie Giff Shin	♣N□	147	—	198	141	-	147.1	0.1
Warrants		109	—	154	98	-	-	-
Warrants 2005		70	—	88	68	-	-	-
Bankers'	♣N□	184	+2	219	173	2.7	175.4	-4.7
Baring Emrg Euro	♣□	46¼	—	78¼	43¼	0.3	-	-
Warrants	□	17½	—	46½	16½	-	-	-
Baring Stratton	♣	202	—	237	201	1.4	239.8	15.8
Baring Tribune	♣N□	313	—	361	311	2.8	368.2	15.0
Barnescroed Inv		82	+2	99	68	-	106.4	22.9
Warrants		24	—	36	23	-	-	-
Beacon Inv Tst		92	—	102	92	-	100.2	8.2
Warrants		41	—	48	38	-	-	-
Berry Starquest	♣	222	—	248	198	1.2	224.2	1.0
Beta Global	♣□	181	+1	231	159	-	171.8	-5.1
Warrants		82	+½	139	77½	-	-	-
British Assets	♣N□	89xd	+1	120½	86½	6.1	101.1	12.0
Eq Ind 2005	□	149	—	176	144	3.8	-	-
Brit Empire	♣N□	90xd	—	98	89	1.3	97.9	8.1
Warrants		32	—	48	31	-	-	-
British Inv	♣†N	200xd	+1	234	188	3.1	225.6	11.3
Broadgate Tst	N	121xd	—	149	114	1.7	114.3	-6.5
Brunner	†N	228	—	272	221	3.9	248.5	8.1
CU Environmental	Z	94	—	109	92	0.7	110.2	14.7
Warrants		34	—	50	33	-	-	-
Candover	†N	333	—	383	310	4.2	323.1	-3.0
China Inv Tst	⊥□	98	—	140	90	-	113.8	17.7
Warrants		47	—	78	46	-	-	-
City Mer High Yld	♣N□	139xd	—	163	137	7.8	135.2	-2.8
City of Oxford	♣N□	34½	—	46	34	18.1	28.1	-24.3
Warrants		3	—	18	3	-	-	-
Zero Div Pf		97	—	104¼	86½	-	-	-
Contl Assets	♣N	186	—	223	186	2.0	198.8	6.4
Warrants		88	—	127	88	-	-	-
Contra-Cycl Inc	♣N	66	—	80	67	17.5	-	-
Cap	□	21½	—	25½	18½	-	42.0	48.9
Zero Div Pf		83	+½	87½	80	-	-	-
Danae Inc	♣N	80	—	98	80	12.4	-	-
Cap		38	+1	48	34½	-	61.8	41.7
Dartmoor	♣†N□	120½xd	+½	148	108	12.7	102.5	-14.9
Warrants		18	—	28	18	-	-	-
8¼pc RPI-Lnk		£130	—	£148½	£130	5.9	-	-
Derby Inc	N	168	—	173	147	12.3	-	-
Cap		383	+3	328	286	-	441.9	31.4
Drayton Blue Chip	♣N□	78xd	—	98	70	15.9	58.6	-19.1
Zero Pf		160	+½	160	154	-	-	-
Drayton Eng & Intl	♣N□	93xd	+1	111	84	1.1	99.6	6.6
Drayton Far East	♣N□	140½	—	168	128	0.6	155.6	9.7
Drayton Rec	♣N□	105	+1	146	98	9.8	100.2	-4.6
PM Growth		147	+½	147	141	-	-	-
Dunedin Ent	N	155	—	198	133	3.4	187.7	17.4
Dunedin Inc Gth	†N□	632	+4	704	613	5.2	628.8	-.5
Dunedin Japan	□	88½	—	108	85	-	89.3	0.9
Warrants		36½	—	39	35	-	-	-
Dunedin Smllr Co's	N	302	—	341	292	3.8	311.1	2.9
Dunedin W'wide	N	742	-7	827	725	1.6	817.5	9.2
EDU Trust	♣N□	58	—	78	58	1.1	63.6	8.8
Warrants		18	—	18	18	-	-	-
Englst Inv	♣	99	—	129	89	1.6	104.1	4.9
Warrants		40½	—	70	40	-	-	-
Edinburgh Dragon	♣N□	100½	—	122	92½	-	102.9	2.3
Warrants		61	—	82	57	-	-	-
Warrants 2005		75	—	82½	67	-	-	-
Edinburgh Inco	♣N□	58½xd	—	53½	42½	-	62.2	3.3
Warrants		31	—	53½	29½	-	-	-
Edinburgh Income	♣N□	46xd	+1	61	43	10.9	37.9	-17.8
Zero Div Pf		58¼	+¼	61¼	55½	-	-	-
Edinburgh Inv	†N□	297	+4	366	281	3.7	320.5	7.3
Edinburgh Japan	♣N□	138	—	178	138	-	152.3	-4.2
Warrants		134	—	182	78	-	-	-
Edinburgh Java	♣N□	38	—	48	35	-	42.8	15.9
Warrants		14	—	19	13	-	-	-
Edin New Tiger	♣N□	38	—	47½	35½	1.3	39.3	0.8
Warrants		21½	—	31½	21	-	-	-
Edin Small Co's	♣N□	81	—	122	80	8.3	81.7	0.8
Warrants		32	—	44	30	-	-	-
Electra	♣N□	329	—	354	289	2.9	387.2	12.9
Elect & Gen	♣N□	199	—	229	185	2.1	205.7	7.8
Emerg Mkts Country	♣N	64	—	81	49½	-	59.2	4.1
Warrants		28½	—	35	24	-	-	-
Eng & Caled	♣N	182	+1	281	180	2.7	229.4	20.7
Eng & Scot	♣N□	100½	+½	127½	105	2.1	113.8	11.5
Warrants		37	—	35	32	-	-	-
English Nat Pfd	♣†N	340	—	360	340	8.0	-	-
Dfd		273	—	280	220	-	-	-
Equity Consort	♣N□	602	+2	679	620	4.4	285.3	4.3
Dfd		1085	+10	1270	1050	4.7	1120.8	-3.2
European Smllr Co's	♣N□	104	—	133	102	0.7	123.6	16.0
Warrants		38	—	58	36	-	-	-
Exeter Prfd Cap	♣N□	125	—	154	125	0.7	148.9	16.1
Zero Deb 2002		£49½	—	£55½	£45½	-	-	-
Exmoor Dual	♣N□	27	—	44	27	7.4	44.5	39.3
Inc		13	—	23	13	12.8	-	-
Zero Cpn Pf		243	—	262	241	-	-	-
Fidelity Euro Smlr	♣N□	92	—	109	92	1.9	97.1	5.3
Fidelity Euro Vals	♣N□	152	—	174	145	0.2	159.5	4.7
Warrants		94	—	109	92	-	-	-
Fidelity Japan Values	♣□	79	—	*103½	78	-	81.7	-4
Warrants		35	—	47	33	-	-	-
Fidelity Spec II 2004		£19⅛	-⅛	£16½	£15⅛	36.9	-	-
Finsbury Growth	♣N□	114xd	—	132	115	3.2	120.3	5.2
Finsbury Smlr Co's	♣N□	163xd	—	183	160	2.6	160.4	-1.6
Zero Pf		181	-1	183	177	-	-	-
Finsbury Tst	♣N	168xd	—	177	148	2.4	166.0	1.2
A		168xd	—	172	146	2.4	-	-
First Ireland	♣†N□	101½xd	—	111	89	2.2	113.0	10.2
Warrants		21	—	37	16½	-	-	-
First Philippine	♣N□	75	—	93½	74	6.3	102.8	16.3
Warrants		32	—	60	32	-	-	-
First Spanish	♣N□	78	—	86	69	6.4	93.3	16.0
Warrants		9	—	22	8	-	-	-
Warrants 1997		8½	—	22	8	-	-	-
Cv Ln 1997		£81	—	£81	£78	-	-	-
Fleming American	♣†N□	281	+1½	343	274	0.8	300.8	6.5
7pc Cv Ln '95		£230½xd	+½	£282½	£222½	3.6	-	-
Fleming Chinese	♣N□	74½xd	+½	148	66	8.8	87.7	-9.1
Warrants		33	+½	65	26	-	-	-
Fleming Claverhse	♣N□	199	—	267	196	3.9	204.4	2.6

INVESTMENT TRUSTS - Cont.

	Notes	Price	+ or -	1994 high	1994 low	Yld Gr's	NAV	Dis or Pm(-)
Fleg Cont'l Euro	♣N□	305	—	360	309	0.8	328.3	4.9
Fleming Emrg Mkts	♣N□	181½	-1½	216½	158	-	186.5	3.0
Warrants		85½	—	138	78	-	-	-
Fleming Ent	♣N□	204	—	244	190	2.9	219.0	6.8
Fleming Eur Fldge	♣N□	93	—	116	89	-	97.6	4.7
Warrants		28	—	42½	20	-	-	-
Fleming Far East	♣N□	332	—	408	327	0.6	365.9	9.5
Fleming Fledge	♣N	352	—	422	350	1.1	380.2	3.6
Flmg Geared Inc	♣N	180	—	257	180	1.4	248.7	27.6
Warrants		120	—	220	120	-	-	-
Cm Pkg Pf		158½	—	188	154	8.9	-	-
Fleming High Inc	♣N□	98xd	—	130	98	5.8	97.4	1.4
Warrants		11	—	35	10	-	-	-
Fleming I & C Inc	♣N□	74¼	—	101½	73½	8.2	78.8	6.0
Units	N□	119	-1	169	119	8.1	119.4	-3
Zero Div Pf		45½	+¼	48	41¼	-	-	-
Fleming Indian	♣N□	91xd	—	168	89½	0.6	84.1	-7.6
Warrants		45	—	86	42	-	-	-
Fleming Int High	♣N□	35	—	46½	35	12.7	36.7	4.6
Zero Div Pf		101¼	—	108	96¼	-	-	-
Fleming Japan	♣N□	236	—	288	223	-	244.2	-2.3
Warrants		100	—	165	85½	-	-	-
Fleming Merc	♣N□	278xd	—	347	269½	3.0	308.9	10.1
Fleming O'seas	♣N□	288	—	347¼	280½	1.9	330.2	12.5
Foreign & Col	♣†N□	132½	+1	*150¼	126½	1.7	132.9	0.3
For & Col Emrg Mkts	♣N□	128½	+¼	148	108½	-	121.1	-7.2
Warrants		54	—	93	48	-	-	-
6½pc Cv Ln 2010		£207½	-½	£222½	£182	3.1	-	-
For & Col Ent	♣N□	69½	—	77	64½	1.1	80.5	13.7
For & Col Euro	♣N□	216xd	—	261	216	0.7	230.0	6.0
For & Col German	♣N□	117	—	145	114	0.5	141.8	17.5
Warrants		38	—	65	32	-	-	-
For & Col High	♣N□	61	—	66	58	8.8	64.2	5.0
For & Col Inc Gwth	♣N□	98xd	—	108	93	1.8	91.9	-7.2
Do. Warrants		31	—	44	30	-	-	-
For & Col Pac	♣†N□	312	+1	324	285	1.6	347.8	10.2
For & Col PEP	♣N□	122xd	—	144	116	3.8	117.1	-4.0
For & Col Priv Eq	□	48½	—	66	45	-	49.3	1.7
For & Col Smaller	♣N□	158½	-½	182	158½	1.5	159.6	0.2
For & Col 2nd Sp Inc	♣N□	85½xd	—	78	81½	7.5	-	-
Capital	□	38½	—	66	31	-	82.7	6.7
Units	N□	128xd	—	132	108½	8.9	123.1	2.6
For & Col US Smlr	♣□	93	—	136	91	-	108.7	7.8
Warrants		38	—	63	36	-	-	-
French Prop	♣N□	72	—	100	72	3.4	83.6	14.2
Warrants		14	—	39	14	-	-	-
Friends Prov Ethical	♣N□	78	-1	100	78	4.8	54.0	-38.8
Units	□	172	-1	208	172	-	168.2	-4.1
Zero Div Pf		93	-½	100½	92½	-	-	-
Fulcrum Inc	♣N	40xd	—	54	40	26.5	-	-
Cap	□	24	—	28½	21½	-	45.9	47.7
Zero Div Pf		138	—	142½	134½	-	-	-
GT Japan	♣N□	238	—	308	227	0.7	241.5	2.5
Gartmore Amer	♣N□	30xd	—	36	28	18.2	30.4	0.9
Zero Pf		97¼	+¼	98¼	89¼	-	-	-
Gartmore Brit Inc		87	—	108	87	10.7	73.2	-18.8
Zero Div Pref		109½	+½	113½	98	-	-	-
Units		188	—	213	180	4.8	188.6	1.5
Gartmore Em Pac	♣N□	136	—	180	120	0.2	137.1	0.8
Warrants		76	—	126	68	-	-	-
Gartmore Euro	♣N□	127xd	—	181	124	0.8	135.8	6.3
Warrants		223	—	276	208	-	-	-
Gartmore Scot Inc	♣N□	72	—	83	70½	10.0	-	-
Cap		79	+1	112	78	-	223.2	64.6
Zero Div Prf		100½	+½	100½	102	-	-	-
Units		1266	—	1560	1266	1.6	-	-
Gartmore Shared Eq	♣N□	99xd	—	138	95	14.4	67.8	-31.2
Zero Div Pf		64¼	-½	108	62	-	-	-
Gartmore Smllr Co's	♣N	205	+1	247	201	3.6	251.1	18.4
Gartmore Value	♣†N□	28	—	38	25	18.3	23.3	-4.8
Zero Div Pf	□	100	—	105½	84	-	-	-
Geared Income	†N□	90	—	136	80	16.5	90.3	-6.8
Gen Cons Inc	♣N□	100xd	—	110½	100	18.6	-	-
Cap	□	140	—	200	140	-	202.9	30.6
Stepped Pf	N	178½xd	+½	173½	168	2.9	-	-
German Inv	♣N□	88½	—	106	88	0.1	100.8	12.9
Warrants		33	—	37	23	-	-	-
German Smllr	♣N□	179	—	217	178	1.0	220.5	18.8
Warrants		82	—	121	82	-	-	-
Glasgow Inc	♣N□	45	—	67½	44½	7.8	44.9	-.4
Govett Am Smlr Cos	♣□	140	—	195	138	-	158.4	11.6
Govett Emrg Mkts	♣N□	100	+1	181	101	0.5	101.7	1.4
Warrants		44	—	76	38	-	-	-
Govett Gbl Smlr Co's	□	84	—	*100½	80	-	90.6	7.3
Warrants		36	—	48	31	-	-	-
Govett High Inc	♣N□	82xd	—	113	78	7.8	80.6	-1.5
Warrants		18	—	37	10	-	-	-
Govett Oriental	♣N□	370xd	-5	438	340	0.4	389.3	5.1
Govett Strategic	♣N□	237xd	—	346	231	3.6	260.9	9.8
Greenfriar	♣N	484	—	492	484	2.1	440.6	8.8
Warrants		79	—	100	79	-	-	-
Graham House		18	—	18	18	-	-	-
Grosvenor Dev	♣N	139	—	187	138	1.9	152.1	12.8
Group Dev		46½	—	55	44	6.9	54.7	14.8
HTR Japanese Smlr	♣N□	78	—	125	66½	0.5	97.3	-6.0
Warrants		48	—	78	44	-	-	-
Henderson Eurotst	♣N□	95	—	118	82	4.0	111.7	23.5
Units	N□	119	—	165	113	3.2	138.8	14.9
Zero Pf		38½	—	39¼	35	-	-	-
Henderson Highland	N	117	—	136	113	6.1	113.7	-4.0
Warrants		38	—	48	35	-	-	-
Henderson Strata	♣N	277	—	305	267	0.9	281.0	1.4
Herald Inv Tst	□	98	—	106	86	-	91.2	-1.3
Warrants		38	—	45	34	-	-	-
Hoare G's Smlr Cos	♣N□	118½	-1½	166	110	1.1	120.0	1.1
Hong Kong	♣N□	38½	-½	75	37½	6.8	48.5	20.8
Warrants		17	—	38½	16½	-	-	-
Zero Div Pf		38¼	-¼	37¼	34¼	-	-	-
[illegible] Optimum	♣N□	80½	+1	118	81	11.2	88.8	9.4
Zero Div Pf		217½	-½	221	205	-	-	-
I & S UK Smlr Co's	♣N□	98xd	—	119	94	3.5	108.6	8.3
Warrants		34	—	48	33	-	-	-
INVESCO Jap Disc	□	84	—	94	70½	-	80.2	-4.5
Warrants		38	—	64	37	-	-	-
INVESCO Korea	♣N□	169	—	177	126	-	158.1	9.1
Warrants		77	—	136½	74	-	-	-
Intl. Biotech Tst	□	87	—	98	87	-	93.7	7.2
Warrants		38	—	68	38	-	-	-
Investors Cap	♣N□	123xd	+2	136	117	6.2	132.6	7.4
Ivory & Sime Brit Op	♣□	88	—	102	85	-	113.7	21.7
Warrants		15	—	27	12	-	-	-
Cv Ln 2000		£109½	—	£109½	£101½	3.9	-	-
Ivory & Sime ISIS	♣	91½	—	119	90	-	106.6	14.2
Warrants		28	—	33	28	-	-	-
Cnv Annuity	K	142	—	168	140	19.4	-	-
Johnson Fry Euro	♣b	84	—	108	84	8.4	91.1	-3.1
Zero Pf		103	+2½	103	98	-	-	-
Johnson Fry Second	♣N□	84xd	+1	122	88½	4.5	83.9	-10.7
Zero Div Pf		98	—	108¼	88	-	-	-
Johnson Fry Utils	♣†N	100xd	—	144	100	8.5	99.3	-1.1
Zero Pf		119	—	117½	97½	-	-	-
Jos Hldgs Capital		88	—	113	88	-	215.3	59.4
Income	†N	105	—	132	105	18.1	-	-
Zero Div Pf		119	—	121	110½	-	-	-
Jove Inc	♣N	65	—	71	65	13.1	-	-
Cap		41	—	46	40	-	49.4	17.0
Jupiter Euro	♣N	81	-1	102	81	2.8	95.8	15.4
Warrants		40	—	74	40	-	-	-
Zero Div Pf		60½	—	61½	45¼	-	-	-
Jupiter Intl Grwth	♣N□	42	—	59	41	10.1	47.6	11.8
Warrants		28	—	38	28	-	-	-
Units	N	102	—	121	102	4.2	108.2	4.0
Zero Pf		82	-½	88¼	61	-	-	-
Kleinwort Charter	♣N□	200	-1	243	195	3.2	233.1	14.2
Kleinwort Dev	N	338	—	338	273	4.1	445.8	24.2
Kleinwort Emrg Mkts	□	127	+1	140	115	-	125.4	-1.3
Warrants		70	—	100	69	-	-	-
K'wort Endowment	♣N□	111	+1	124	106	-	116.0	4.3
Kleinwort Euro Priv	♣N□	74xd	—	86½	73½	1.4	90.7	18.4
Warrants		26	—	40	23½	-	-	-
Kleinwort High Inc	†N□	80xd	—	116	70	11.8	80.2	0.2
Zero Div Pf		130	+½	130	108½	-	-	-
Kleinwort O'seas	♣N□	220	+2	272½	224	1.9	257.8	14.2
Kleinwort 2nd Endw	♣N□	93½	+1½	102	86	-	97.0	3.8
Kleinwort Smllr	♣N	126	—	166	125	3.1	139.9	9.9
Law Debenture	♣N	733	+1	806	672	3.3	593.2	-19.1
Lazard High Inc	♣N□	84xd	—	128	83	8.5	88.4	-4.9
Lazard Smllr Equities	♣N	121	—	184	121	0.2	137.7	12.1
Leveraged Opp	♣N	128	—	140	120	-	138.5	7.6
Lloyds Smlr Uts	♣N□	110	+1	129	107	4.8	117.8	6.0
Capital		81	—	97	79	-	115.4	29.8
Dividend		28½	—	35	28	15.8	-	-
Lon & St Lawrence	♣N	158	+1	174	141	4.6	172.6	7.9
Lon Amer Growth	□	40	—	65	39	-	57.4	30.3
Warrants		10	—	22	6	-	-	-
Lon Smaller Co's	N	82	-2	108	81	4.8	92.8	10.9
Lowland	♣N	284xd	—	334	285	4.1	283.7	-.1
M & G Dual Inc	N	259	—	303	265	10.3	-	-
Cap		2618	+13	2773	2440	-	2845.1	8.0
M & G Income Inc	□	36½xd	—	45	36	16.8	-	-
Cap	□	28½	+½	34½	26½	-	66.6	56.8
Package Units	□	119xd	—	137	117	5.2	116.9	-1.8
Geared Units	□	68xd	—	77	54	9.4	68.1	4.5
Zero Div Pf		64½	+¼	68	50	-	-	-
M & G Recovery Inc	†N□	30½	—	37½	30½	16.9	-	-
Capital	□	30½	+½	38½	27½	-	66.2	53.9
Geared Units	†N□	61½	—	72½	61	7.9	66.3	7.2
Zero Div Pf		74	—	80½	68	-	-	-
Package Units	†N□	130	—	161	128	3.7	128.3	-5
M & G 2nd Dual Inc	N	135	—	151	127	22.2	-	-
Cap		536	+3	628	495	-	585.9	8.3
Majedie	♣N	192xd	—	227	190	3.4	218.9	12.3
Malvern UK Ind	♣N□	132	—	154	122	3.8	134.7	2.0
Warrants	N	55	—	67	44	-	47.0	-14.5
Mart Currie Euro	N	103½	+½	128	99	0.4	113.6	8.8
Warrants		34	—	48	33	-	-	-
Mart Currie Pac	□	136	—	188	133	0.3	143.9	5.5
Warrants		38	+1	78	50	-	-	-
Merchants Tst	†N□	258	—	324	237	5.4	250.7	-2.8
Mercury Euro Prvt	♣ZN□	82½xd	+1½	90	79½	0.9	98.7	14.7
Warrants		27½	—	45	27	-	-	-
Mercury Keystone	♣N	603xd	+7	684	550	3.2	614.1	1.8
Mercury World Min	♣□	93	-1	125	92½	-	101.6	8.5
Warrants		29	—	52½	29	-	-	-
Mezzanine C & I Inc	♣†N	171	—	191	170	11.1	-	-
Cap		280	+2	287	210	-	317.9	11.9
Mid Wynd	♣N	422	+1	428	380	1.8	391.1	-7.9
Millers Inv Tst	N□	54	—	69	49	2.3	55.0	1.8
Warrants		24	—	31	24	-	-	-
Monks	♣N□	511	+1	595	492	1.7	551.0	7.3
Moorgate	N	138	—	174	138	3.9	147.7	6.6
Warrants		35	—	59	35	-	-	-
Moorgate Smlr	♣N□	109	—	156	109	8.0	120.2	9.3
Warrants		32½	—	71	31	-	-	-
Morgan G Eq Inc	♣N□	130xd	—	198	126	4.6	131.4	1.1
Warrants		40	+1	84	39	-	-	-
Morgan G Latin Am	♣□	99	—	111	87	-	104.9	5.6
Warrants		57	-1	86	39	-	-	-
Murray Ent	♣N□	115xd	+1	*140	109	2.3	118.9	3.3
Warrants		32	—	58	31	-	-	-
Murray European	♣N□	57½	—	69	54	0.8	60.6	5.1
Warrants		19¼	—	23½	18	-	-	-
Murray Inc	♣FN□	320xd	—	368	317	4.6	319.9	0.0
B		319	+1	*362½	304¼	-	-	-
Murray Intl	♣FN□	333	—	396	319	4.7	331.1	-.6
B		325	+1	391	316	-	-	-
Murray Smllr Mkts	♣N□	462xd	-2	546	424	1.2	453.8	-1.9
B		463	—	*502	416	-	-	-
Murray Split Inc	♣FN	78	—	87	78	17.8	-	-
Cap		129	—	174	128	-	186.1	30.7
Zero Div Prf		142	-1	163	153	-	-	-
Units	FN	£230½	—	234	£228½	4.3	2905.6	-5.1
Murray Ventures	♣N	366	—	363	302½	4.7	365.8	16.3
NB Smaller Co's	♣N□	120	—	153	119	3.7	131.0	8.4
NM Smaller Aust	♣N□	78	—	122	78	0.6	90.6	14.1
Warrants	□	38	—	76	37	-	-	-
National Smlr Co's	♣N	103	—	131	97	3.8	108.3	4.9
Warrants		28	—	58	27½	-	-	-
New City & Comm	♣N	102	+2	142	100	5.8	113.2	9.9
Warrants		40	—	73	40	-	-	-
R.P.I. Deb 2006		£107½	—	£118	£107½	-	-	-
New Throg Inc	♣†N□	56½	+½	95	56	9.8	-	-
Cap	□	68	—	104	65	-	125.1	44.8
New Zealand	♣N	194	+5	245	182	1.3	198.6	2.3
Newmarket V	□	16	—	*59	15	-	19.8	18.4
Nth Amer Gas	♣N□	80	—	87	70	-	89.1	10.2
Warrants		3	—	15½	3	-	-	-
Nth Atlantic Smlr Co's	♣N	232	—	288	212	-	261.5	11.3
Uns Ln 2012		232xd	—	258	210	8.2	-	-
Northern Invs	N	254xd	—	280	238	2.6	330.8	23.1
Old Mutual SA	□	87	—	89	87	-	108.8	19.8
Warrants		38	—	45	32½	-	-	-
Olim Conv	♣N	86	—	111	85	13.1	62.2	-26.8
Zero Pf		207½	—	219	204	-	-	-
Overseas Inv	♣N□	343xd	+1	404	333	1.2	391.6	12.4
Warrants		195	—	241	179	-	-	-
Pacific Assets	♣N□	476	-2	640½	433	0.3	486.3	2.5
Warrants		302	—	342	305	-	-	-
Pac Horizon	♣□	41	—	54	41	0.3	44.6	8.5
Warrants		3½	—	13	3½	-	-	-
Pantheon Intl	♣N	198	—	208	177	0.3	239.5	17.0
Warrants		71	—	93	67	-	-	-
Cv Ln '95/97		140	—	150	128	-	178.8	20.9
Paribas French	N□	116	—	149	115	1.1	128.7	10.6

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LONDON SHARE SERVICE

INVESTMENT TRUSTS - Cont.

[illegible]

OTHER INVESTMENT TRUSTS

[illegible]

INVESTMENT COMPANIES

[illegible]

LEISURE & HOTELS

[illegible]

LEISURE & HOTELS - Cont.

[illegible]

LIFE ASSURANCE

[illegible]

MEDIA

[illegible]

MERCHANT BANKS

[illegible]

OIL EXPLORATION & PRODUCTION

[illegible]

OIL EXPLORATION & PRODUCTION - Cont.

[illegible]

OIL, INTEGRATED

[illegible]

OTHER FINANCIAL

[illegible]

OTHER SERVICES & BUSINESSES

[illegible]

PHARMACEUTICALS

[illegible]

PRINTING, PAPER & PACKAGING

[illegible]

PROPERTY

[illegible]

PROPERTY - Cont.

[illegible]

RETAILERS, FOOD

[illegible]

RETAILERS, GENERAL

[illegible]

RETAILERS, GENERAL - Cont.

[illegible]

SPIRITS, WINES & CIDERS

[illegible]

SUPPORT SERVICES

[illegible]

TELECOMMUNICATIONS

[illegible]

TEXTILES & APPAREL

[illegible]

TOBACCO

[illegible]

TRANSPORT

[illegible]

TRANSPORT - Cont.

[illegible]

WATER

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

SOUTH AFRICANS

	Notes	Price	+ or -	1994 high	1994 low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£34	—	£34	£13½	2,217	2.2	24.9
Barlow	♣	£5¼xd	—	£5½	£3½	1,086	1.8	ф
Gold Flds Prop R		118xa	—	128	75	12.1	7.9	ф
MK Props		95	—	98	85	3.82	12.7	-
SASOL	♥	492	—	582	280	2,837	2.8	-
SA Brews	†	£14⅞xd	—	£16½	£10	4,841	2.0	22.7
Tiger Oats		763xd	—	838	538	1,147	2.0	17.9
Tongaat-Hulett	†a	725xc	—	*725	350¼	680.8	2.0	21.1

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by Extel Financial, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols relating to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ☐ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ф Figures or report awaited
- ♥ Rule 2.1(a)(iv) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Rule 4.2(a) UK & Irish incorporated non-listed companies.
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v Not subject to ACT.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1993.
K Yield based on prospectus or other official estimates for 1994
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1993-94.
N Figures based on IMR 'Headline Earnings'
P Figures based on prospectus or other official estimates for 1994.
R Forecast annualise yield, p/e based on prospectus or other official estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xt ex capital distribution.

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Sabotage increases US fears on airline safety

By Richard Tomkins in New York

Mounting worries about air safety in the US were heightened further yesterday when it emerged that Boeing 747 jumbo jets operated by Tower Air, an international carrier flying daily to Europe and Israel, had been sabotaged five times last month.

Tower Air said that saboteurs had cut wires in its aircraft while they were on the ground at New York's John F Kennedy airport. In all cases, the cuts were detected during pre-flight checks.

Separately American Eagle, the commuter airline division of American Airlines, grounded all flights out of Chicago and many from New York after some pilots claimed they had insufficient training to fly in icy conditions.

And Kiwi International, an independent carrier based in Newark, New Jersey, agreed to ground all 11 of its aircraft after the Federal Aviation Administration found fault with its record-keeping system for pilot training.

The developments come amid growing concern about air safety prompted by four fatal crashes involving US domestic flights in the past six months.

Most US airline stocks, already depressed, edged further downwards yesterday amid fears that safety concerns could lead to a decline in passengers.

On Wednesday, hours after an American Eagle commuter flight crashed in North Carolina with the loss of 15 lives, the US Department of Transport attempted to counter air travellers' worries by ordering an immediate safety audit of all the nation's airlines.

Yesterday Tower Air said it had heightened its security and pre-flight checking procedures in the wake of the attacks on its aircraft in November and there had been no instances of sabotage in the past five weeks.

Possible suspects could include disgruntled former employees, or terrorists motivated by Tower's frequent flights to Israel. The Federal Bureau of Investigation has been called in to examine the situation. Yesterday's disruption at American Eagle followed last week's grounding of all the airline's Chicago-based ATR turboprop aircraft by the FAA because of suspicions that iced-up wings caused the crash of an American Eagle ATR aircraft in October.

American Eagle transferred its ATRs to the warmer climate of the southern US and moved a fleet of Saab 340 turboprops to the north.

However, it was forced to ground these aircraft after some of the Saab pilots complained that they had not had sufficient cold-weather training.

Meanwhile Kiwi International, which operates a fleet of 11 Boeing 727 aircraft flown by former employees of the now-defunct Eastern and PanAm airlines, appeared to have fallen victim to the FAA's rigorous new safety audit.

It said the grounding of its aircraft had nothing to do with its aircraft or pilot training. The decision was related only to record-keeping.

Warburg hits out at Morgan Stanley 'alibi'

By John Gapper, Banking Editor

Recriminations broke out yesterday after the collapse of merger talks between the investment banks Morgan Stanley and S.G. Warburg. The dispute emerged as Warburg insisted that it did not intend to merge with another bank.

Sir David Scholey, Warburg's chairman, accused a Morgan Stanley executive of composing "a subjective and selective alibi" by claiming that the US firm's motive for a merger was to gain control of Warburg's fund management arm, Mercury Asset Management.

Speaking publicly for the first time about the merger attempt, Sir David said he believed the Morgan Stanley director's motive was to minimise publicly the setback to the US firm, and to reassure its 2,300 staff in Europe.

"I cannot say that I feel miffed because they have a hell of a containment job to do," said Sir David, commenting on remarks made to the Financial Times by Mr Stephen Waters, co-managing director of Morgan Stanley Europe.

Sir David said it was "not our natural way to charge into the attack and say all the self-justifying things we might do" after such an incident, but he believed Morgan Stanley wanted a true investment banking merger.

He said that when he read Mr Waters' remarks, "I thought to myself, what a pity, but he presumably has his own imperatives for saying it".

Warburg would not now seek another merger because Morgan Stanley had been the best fit. It would resume its strategy of building an independent bank.

Sir David said it had gained from merger discussions and would adopt a plan "fundamentally based on the pre-discussion strategy, but with adaptations and variations". That would be communicated to staff.

He denied that Warburg had been weakened by the incident.

The merger discussions broke down on Thursday over demands by Mercury Asset Management, which is 75 per cent owned by Warburg, that it would maintain operational independence in the merged bank. That was rejected by Morgan Stanley.

MAM's board, advised by the merchant bank Lazard Brothers, also wanted a significant premium to be offered to minority shareholders to buy out their stake. That might have involved an offer of about £400m for the minority stake.

Sir David said relations with MAM would be unaffected by the incident, and Warburg wanted it to maintain independence.

Warburg shares closed 14p up at 713p, although they reached a peak of 735p earlier on speculation about a possible takeover bid for the investment bank.

UK deal on RAF order

Continued from Page 1

yesterday: "This is extremely welcome news for British Aerospace, the UK aerospace industry and for jobs in this vital high-technology industry."

He said a share of the FLA programme equal to that of Britain's partners would reaffirm the country's key role in the European aerospace industry, and would be worth well over £5bn to the UK.

Mr Rifkind also pointed out that British industry would benefit from the Hercules purchase under an offset deal that commits Lockheed to placing contracts worth £1bn with British companies.

He dismissed reports of a split between himself and Mr Heseltine.

Mr David Clark, Labour's defence spokesman, condemned the deal as "a half baked compromise which clearly shows the extent of the government's division and indecision."

Saatchi out

Continued from Page 1

been making a last-ditch attempt to persuade the board of the possible damage to the company from his departure. On Thursday he contacted his friends, John and Forrest Mars, owners of confectionery and foods group, Mars, who said they would review whether to keep their advertising business at the company if he went. Mars is one of the group's biggest clients

He also presented the board with letters backing him from several senior executives.

Four of the group's six non-executives were present.

Sony and Philips prepare for battle over new video-CDs

By Michiyo Nakamoto in Tokyo and Alice Rawsthorn in London

Sony and Philips, two of the world's largest consumer electronics groups, yesterday fired the opening salvo in the battle to specify the format for the next generation of compact discs, which will play films as well as music.

The electronics industry has for years been developing a more sophisticated version of the audio-CD, which would replace the video cassette and provide some of the data storage capacity of interactive CD-ROM discs. The new discs will be played on special machines, which will also play audio-CDs.

Sony and Philips, which liaised successfully to launch the original audio-CD in 1982, are anxious that their proposed format should become the industry standard, thereby enabling them to earn royalties from licensing the technology to other companies.

They face strong opposition from Toshiba, the Japanese electronics company which has designed its own disc format in conjunction with the Time Warner entertainment group.

The rivalry raises the threat of a repetition of the "video war" in the 1980s when Sony lost a battle to impose Betamax as the standard format for video cassettes against the VHS format devised by the Matsushita group.

An early version of the discs with video capacity, or "video-CDs", is already available in Japan. They have had limited success as they only run for 72 minutes (the same as audio-CDs) and are therefore unsuitable for feature films, which have a minimum length of 90 minutes.

Some companies, including Philips, have addressed this problem by developing multi-disc players, which can play films or operas by running from one disc to another. However, multi-disc is seen as an interim solution, before the industry moves on to more advanced CDs.

The format proposed by Sony and Philips is for a 12cm-wide disc (the same size as an audio-CD) with the capacity to store five times more data. It will play 135 minutes of video, enough for most feature films.

Sony claims that its new format offers "superior" visual quality to video cassettes and sound "at least as good as audio-CD". It says that production costs will be "reasonable", as it can use its existing capacity to manufacture the new hardware and discs.

However, next month Toshiba plans to launch the prototype of a disc that can store data on both sides and up to 270 minutes of video. It claims that its disc offers superior visual images to the Sony format.

Winning the entertainment industry's support will be critical to the success of the rival formats. Toshiba has Time Warner on its side, while both Sony and Philips have significant film and music interests.

The two camps are also courting US computer companies such as Apple, IBM and Microsoft. However the decisive vote may well be cast by Matsushita, which Sony claims is "quietly supportive" of its format.

THE LEX COLUMN

Democratic societies

The government has bought the line that building societies will become more accountable if voting rights are given to ordinary depositors. This faith in building society democracy is touching but naive. Millions of society members already possess the vote but can rarely be bothered to use it. Inflating their ranks will merely increase the number of wasted votes.

Instead of extending voting rights, the government should define clearly members' economic rights. At present, these rights are fuzzy. Members collectively own the societies' assets. But the legal framework does not specify how these assets should be distributed among individual members.

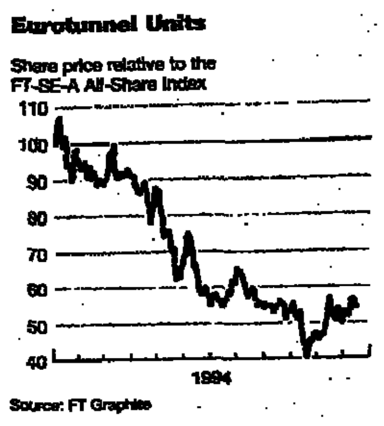
This vagueness most obviously has drawbacks if a society is taken over or acquired. Should its value be divided among members on a flat-rate basis, in proportion to their savings or according to number of years they have saved with the society? There is no clear answer. Not surprisingly, there is grumbling over who receives the spoils, as shown in Lloyds Bank's bid for Cheltenham & Gloucester. The planned Halifax-Leeds merger may provoke similar disgruntlement.

Clear economic rights could also improve accountability. If members had identifiable financial interests, there would be greater point in using their votes. There are several ways of doing this. One would be to pay members' dividends reflecting their society's performance, as if they owned equity in an ordinary company. An alternative would be to pay higher interest rates – with the portion attributable to financial performance clearly earmarked.

Spelling out economic rights in this way would also clear up the widespread confusion over who is a member and who is not.

Such a reform would not merely give substance to the idea of building society democracy. There would be broader economic benefits given the billions of pounds of capital tied up in the movement. Societies' positive image in the high street may give the impression that they are performing well. In fact, their managements are often sleepy. Many only perform tolerably well because they are sitting on vast inherited capital bases on which no dividends are paid.

FT-SE Index: 3013.6 (+40.2)



Source: FT Graphite

Eurotunnel

After a long phoney war, the real battle for the hearts of 15m cross-Channel ferry passengers has begun. Eurotunnel shares rose 6 per cent on news of an impending revenue stream from Le Shuttle, even though the latest delay means yet another official revenue forecast will not be met.

Le Shuttle's pricing is much lower than the low-season prices Eurotunnel announced last January. But the difference cannot be interpreted as the start of a price war. Earlier rates did not stretch beyond 1994. Nevertheless, the move does dash earlier indications that Eurotunnel could charge a premium for its "premium" service.

Eurotunnel's true intentions on competition will only emerge when it unveils pricing plans for the summer, which accounts for two-thirds of ferry company profits. The tunnel's fixed costs – not least interest charges – are enormous, whereas variable costs are low. That means it is imperative to maximise passenger volumes. Beyond a certain point, additional passengers represent almost pure profit whatever the ticket price.

Of course, nobody wants a price war. Short-haul profits at P&O, the largest competitor, are forecast to drop to less than half the £65m estimated for this year. P&O could float its capacity elsewhere, as Eurotunnel must hope. But it is not going to give up its revenues willingly.

Recent performance on freight suggests a potentially friendly outcome. P&O's freight traffic increased by 30 per cent in the 10 months to October. Eurotunnel started competitive freight operations in May, but has hit its stated target of 1,000 lorries a day without price cuts.

However, Eurotunnel has little margin for error, as Le Shuttle revenues must finance £8bn of debt. By 1996, Le Shuttle should be carrying half the car and coach passengers currently crossing the Channel by ferry. Any shortfall will probably provoke price cuts and the spectre of yet another financial restructuring. The tunnel now has to progress from forecasts to hard numbers. Until it does, caution should prevail.

Share consolidations

Share capital consolidations have accompanied both the special dividend payouts made by regional electricity companies – first East Midlands and now Yorkshire. The effect of the measure is to reduce the number of shares in issue, thus mimicking the effect of the share buy-backs which have been another popular way for the companies to slough off surplus cash.

The chief reason given for the measure is a little odd: it is designed to ensure that the share price moves back to where it would have been had there been no special dividend in the first place. But a fall in the share price after the payout is announced is nothing to worry out, unless it is for more than the value of the dividend: it is a simple arithmetical adjustment to take account of the outflow of resources from the group.

That companies go to the trouble of making the change implies limited faith in shareholders' intelligence. Total return should be the main investment yardstick, and that is the combination of the dividend and the share price. It also shows scepticism about investors' ability to make comparisons between the performance of companies in the same sector. True, all the regional electricity companies had the same share price when they were privatised. But they had different yields. So a simple comparison of share prices is specious.

By contrast, share capital consolidations may prove useful when companies seek to raise capital from shareholders, rather than as a cosmetic adjunct to giving it back. There is a dearth of deep-discounted rights issues, even though these eliminate the need for costly underwriting. This may be because companies fear shareholders' reactions to the reduced share price and dividend which can follow such issues. The falls in price and dividends are technical in nature. But they could be avoided altogether if companies consolidated their capital as part of the rights issue process.

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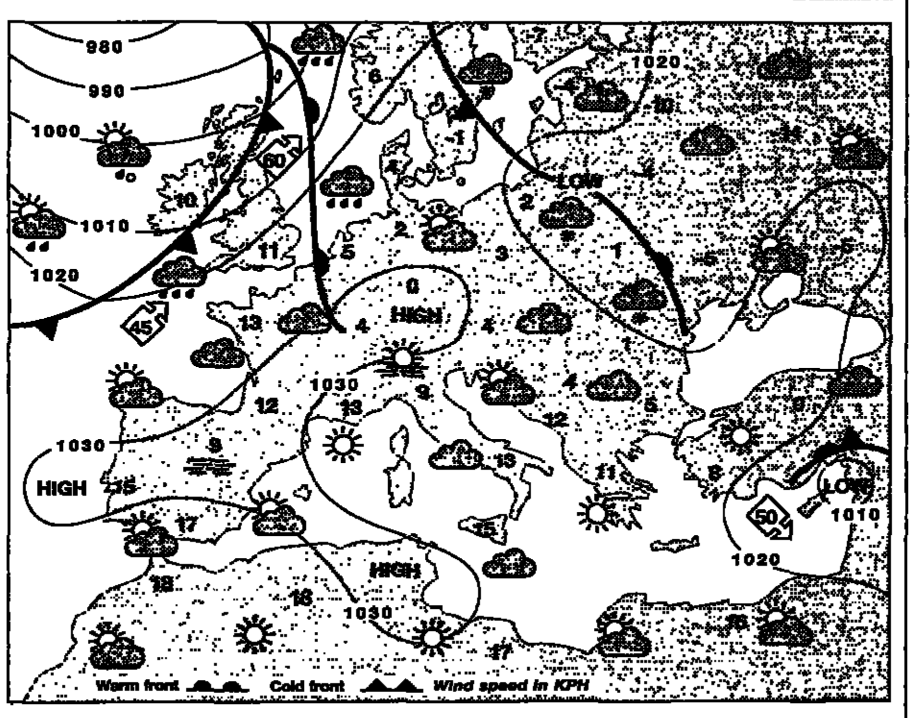
FT WEATHER GUIDE

Europe today

Ireland and the north-western UK will have rain, while eastern Britain will be dry but overcast. The Netherlands, Belgium and northern France will be cloudy but mainly dry. There will be cloud and sunny spells elsewhere in France and the Benelux, and in southern and north-west Spain. Central Spain, will have some fog, especially in the morning, while early fog will be followed by sunny spells in Central Europe. Italy and the northern Balkans will be mainly overcast, though the southern Balkans will be sunny. South-east Turkey will have rain.

Five-day forecast

North-west Europe will remain unsettled, with wintry showers later in the week. A depression over the eastern Mediterranean will bring cloud and rain to the region. Eastern Europe will have calm conditions later in the week.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius
Abu Dhabi	sun	27
Accra	sun	32
Algiers	sun	18
Amsterdam	drzzl	5
Athens	sun	12
Atlanta	cloudy	15
B. Aires	shower	28
B.ham	drzzl	10
Bangkok	fair	33
Barcelona	sun	14
Beijing	sun	0
Belfast	rain	11
Belgrade	fair	4
Berlin	fair	4
Bermuda	shower	21
Bogota	fair	20
Bombay	sun	32
Brussels	cloudy	4
Budapest	fair	4
C.hagen	fair	4
Cairo	shower	16
Cape Town	fair	26
Caracas	sun	29
Cardiff	rain	11
Casablanca	fair	18
Chicago	cloudy	4
Cologne	fair	2
Dakar	fair	30
Dallas	fair	16
Delhi	fair	23
Dubai	sun	27
Dublin	rain	12
Dubrovnik	fair	13
Edinburgh	rain	12
Faro	fair	17
Frankfurt	fog	0
Geneva	hazy	5
Gibraltar	sun	17
Glasgow	rain	12
Hamburg	cloudy	4
Helsinki	fair	-9
Hong Kong	fair	21
Honolulu	fair	26
Istanbul	fair	6
Jakarta	rain	30
Jersey	cloudy	12
Karachi	sun	28
Kuwait	cloudy	16
L. Angeles	sun	22
Las Palmas	fair	22
Lima	sun	25
Lisbon	sun	14
London	cloudy	11
Lux.bourg	fair	0
Lyon	hazy	5
Madeira	shower	21
Madrid	hazy	9
Majorca	sun	17
Malta	fair	16
Manchester	rain	11
Manila	cloudy	30
Melbourne	fair	25
Mexico City	fair	22
Miami	fair	28
Milan	sun	9
Montreal	cloudy	-1
Moscow	snow	-14
Munich	fair	2
Nairobi	cloudy	25
Naples	fair	14
Nassau	fair	27
New York	rain	6
Nice	sun	15
Nicosia	sun	13
Oslo	fair	-2
Paris	cloudy	8
Perth	sun	36
Prague	fair	2
Rangoon	fair	32
Reykjavik	sleet	3
Rio	thund	30
Rome	cloudy	16
S. Frsco	cloudy	12
Seoul	fair	0
Singapore	shower	31
Stockholm	cloudy	0
Strasbourg	cloudy	3
Sydney	thund	28
Tangier	fair	17
Tel Aviv	rain	15
Tokyo	fair	8
Toronto	snow	1
Vancouver	rain	9
Venice	sun	8
Vienna	fair	4
Warsaw	sleet	3
Washington	rain	7
Wellington	shower	17
Winnipeg	fair	-5
Zurich	hazy	4

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Weekend FT

The bubbles that bind

Charles and Di, Angie and Dirty Den. Soap operas are today's social glue, writes **Jackie Wullschlager**

In Jonathan Dimbleby's new biography, Prince Charles is quoted as saying that the collapse of his marriage "had all the ingredients of a Greek tragedy". In fact, the story resembles *nothing* so much as a soap opera.

The features that make soap opera popular – a family that becomes public property; the focus on personalities; the obsession with sexual morality; the mix of glamour, intimacy – are precisely those that keep the royal family in the headlines.

Until the 19th century, the great forces for social cohesion in Britain were the monarchy and the church. Today they are the monarchy and soap opera. When Angie walked out on Dirty Den in the BBC television soap *EastEnders*, 31m people watched – more than half the country. Regular audiences of 17m tune into *Coronation Street*, 14m to *EastEnders* and 4m to Radio 4's *The Archers*. Most people in Britain can name a character from each of these soaps.

Two hundred years ago, by contrast, few people could have named any fictional character, but almost all could have explained the story depicted on the stained-glass window of the village church. Now few of us have a clue about religious iconography. Instead, in a fragmented culture, soap opera is the only entertainment that ensures, as the church formerly did, that people across generations and social classes share a set of references, and discuss the same issues at the same time.

When, for example, in *The Archers* last Christmas, Susan Carter, mother of two, was jailed for shielding her brother from the police, the episode caused a national outcry, provoking leading articles on crime and punishment in three national newspapers, and public statements from Michael Howard, the Home Secretary – and an *Archers* fan – and from the Lord Chief Justice.

Soap opera is no longer just easy entertainment. Programmes such as *The Archers*, *EastEnders* and *Brookside* focus on our deepest social and moral concerns. Marriage and family values; abortion and Aids; rising crime and unemployment are their subjects. They also deal with timeless human feelings: love, betrayal, fear, loneliness. Soap deals, in short, with subjects which were once the prerogative of the Church. They also do what Shakespeare's Hamlet said drama should do: "Hold the mirror up to nature", and reflect "the very age and body of the time." Why are they so popular and so powerfully emotive, and what do they tell us about our culture and life?

In each century an art form emerges which comes to dominate the nation and embody its values. That art is always changed by the technological possibilities of the time. For the Victorians it was the novel, which reached a mass market because of the opportunity for cheap printing in the new industrial society. In the 17th century, it was Revenge Tragedy, which grew out of the beginnings of public theatres, and in the Middle Ages, it was courtly love poetry, recited aloud and passed on by oral tradition in the days before printing.

Today, it is soap opera, the populist drama of an age in which television and radio have supplanted the printed word as media of communication. Television's special virtues are intimacy, continuity, and mesmeric realism. These three qualities are precisely those which make soap opera so successful. Soap is therefore a natural genre for the small screen. On many weekday evenings, television *means* soap opera to most people – *Coronation Street* attracts 70 per cent of all viewers, *EastEnders* 65 per cent.

> Viewers send characters wedding presents or apply for jobs at Brookfield Farm or the Queen Vic pub

Who is watching? The main soap operas have distinct class and regional profiles. *The Archers* is a middle class soap so when Caroline Bone tries to lure her putative lover into bed she invites him away for the night to hear the *Christmas Oratorio* in Birmingham. *EastEnders* is a working class soap, so Phil and Kathy's engagement party is a knees-up in the pub. *Brookside* is a Liverpool soap; on the cutting edge of urban social problems, it thrives on strong local accents and Merseyside humour.

Although audiences reflect these features, soaps appeal across the classes and regions. The *Archers* audience includes a far higher percentage of working-class listeners than Radio 4's average audience. *Brookside* (6m viewers) has a loyal following in the north of England, but is also popular with young London professionals – reflecting Channel 4's middle-class profile. *EastEnders* also has many middle-class fans. *Neighbours* (10m viewers), with its light-hearted romances and sunny backcloth, appeals to children of all classes.

Coronation Street viewers are mostly working class – ITV's traditional audience. Years after they have left the series, characters from this longest running TV soap, such as the matriarch Ena Sharples and sexpot Elsie Tanner – James Callaghan, a former prime minister, called her "the sexiest woman on TV" – remain in the popular imagination, like Mr Micawber or Scrooge. They suggest that soap opera is essentially a democratising form, delivering into the family living-room regular everyday drama which millions of people experience at the same time, and discuss next morning.

The combination of a mass audience and a serial form of fiction is explosive. It is a relatively new phenomenon – Dickens discovered it in the 19th century, and made a fortune serialising his novels before publication. When the *Old Curiosity Shop* was running in the 1850s, hundreds of readers wrote begging him not to kill off the heroine, Little Nell. When she did die, top-hatted men wept in the street on hearing the news. It was reported that "the nation was drowned in a wave of grief", and Dickens received so many mourning letters that he felt he had committed a murder.

Soap opera is a descendant of the Victorian serial novel. It uses the same storytelling techniques – cliff-hangers, melodrama, sentimentality – to win a devoted following. Vanessa Whitburn, producer of *The Archers* says her primary aim is "to produce good drama which makes audiences cry, makes them happy, surprises them and sometimes shocks them."

The Archers storyline which reached a climax this autumn with the birth of Shula's baby, after a desperate series of fertility treatments and the death of her husband in a car crash,

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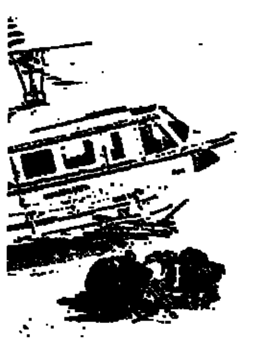

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NEXT WEEK
The Pope in winter

Joe Rogaly

Down with the lottery!

Britain's new game of fantasy finance will do far more harm than good

The national lottery is fantasy finance. It ranks with fantasy football, another television game, and fantasy fornication, enjoyed by viewers of *Bumwatch* and similar programmes. It is a leisure industry created to exploit our sole remaining unprivatisable asset, our national imagination. It is a tax on the poor derided by the rich, a machine for the creation of a spurious sense of self-satisfaction for the pathetic boobies who toss their coins into its maw.

There is nothing of worth in this crap game, no net gain for charities, no work of art saved or building erected that could not have been financed by less preposterous means, no true promise of glory for the millennium, no benefit to anyone save perhaps the shareholders of Camelotta Suckers, plc.

You will have gathered that I do not wholeheartedly admire the gamble so many millions of our brothers and sisters have been seduced into taking. Right first time. You will not catch me buying a ticket. Anyone who goes for a 14m-to-1 shot is simple; that so many do is a nuisance. I queued to pay for a Christmas present in W.H. Smith last week and found after 10 minutes that it was the "lottery only" line. The same double-take frustrated me when I tracked down one of Britain's dwindling collection of main post offices to have my seasonal gift weighed.

Two large chains of newsagents, WHS and John Menzies, have been reported as expressing concern about the disrupting effect of long lottery queues in their stores. The rake-off is only 5 per cent, which must be compared with what ought to be higher margins on sales of tangible goods such as magazines, stationery, and confectionery. Maybe retailers *will* profit one day. We shall see. They must count against business lost the gain in customers drawn into their shops by the urge to waste money. There can be no calculations until after Christmas.

Charities will certainly lose. Donations will fall by £172m a year, according to a survey carried out for the National Council for Voluntary Organisations. The lottery masters predict a handover of £136m from their proceeds. That leaves good causes £36m short.

Wait, the merchants of fools' gold will say. These are only estimates. Maybe the numbers will turn out more favourably. Only Camelotta Suckers can believe that. Anyone else who does is not thinking. *Maybe?* Maybe the rail privatisation will go smoothly. Maybe the board of British Gas has demonstrated a fine grasp of fair salary structures. Maybe Mr Tony Blair will become a socialist. We *know* what will happen to charities. The evidence is there. A state lottery was introduced in Ireland in 1987. Last year Irish charities were asked about its effect. Some 87 per cent said they had lost out.

The rest of the scheme is a swindle. Charities constitute one of five groups that will share the 28 per cent of punters' payments set aside as conscience money. The other four – the arts, sports, the national heritage and the "millennium" fund – have been promised that the treasury will not claw back their lottery income by reducing allocations from the national exchequer. Talk about suckers! This is a government promise, like April 1992's "no new taxes".

> Anyone who goes for a 14m-to-1 shot is simple; that so many do is a nuisance

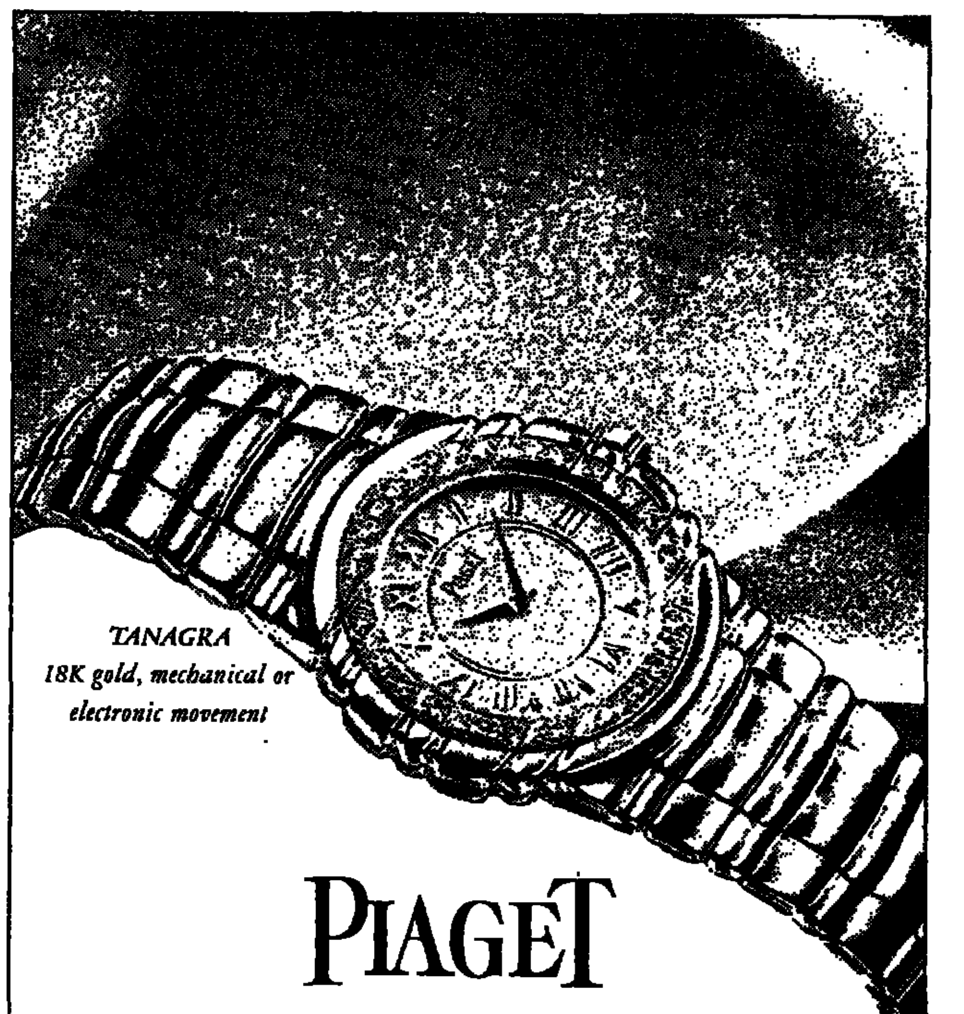
Let us be generous. Say the treasury allows the lottery pot a few years' free run. What then? Stephen Dorrell has asked for ideas from readers of The Sun. "Do you play football or hockey . . . ?" asks the heritage secretary. "How would you fancy new, fully-equipped changing rooms?" Perhaps wheelchair access to local historic buildings or refurbishment of the local art gallery? Mr Dorrell has no shame. "It is not too far-fetched to believe," he writes, "that new indoor tennis courts paid for by the National Lottery could provide the next British Wimbledon champion." In the immortal words of hucksters everywhere, he appends the warning, "some applications will be lucky, others will not".

Our Mr Dorrell is one of the better ministers in John Major's cabinet. He is not a natural born con-man. It is a pity he has been given so demeaning a task. Perhaps he is carried away by the supposed glamour of the idea, as was the BBC when it allotted prime time to the draw, thus producing one of the most humiliating programmes it has ever transmitted. Happily, it has come a cropper, ratings are down, and the time for second thoughts has arrived.

Others apparently having second thoughts this week were the "XXX's", the reportedly Moslem family whose main breadwinner scooped just about £18m. This led to a comedy of pretence, as the lottery promoters sought to show that they would stick to their undertaking not to disclose the name of winners who preferred anonymity. They went to the high court for an injunction. The tabloid papers do not like that. They printed and lavishly illustrated everything they could dig up about the newly-rich individual, save his name, then had the injunction removed.

It is delightful when thieves fall out. On this occasion those who conspire to steal our common sense, Camelot and the tabloids, staged a convincing quarrel from which, no doubt, both profited in the form of greater dollops of the notoriety they so avidly seek. The question of the week became: should winners have the right of privacy? The answer: no, not really, but Camelot must be seen to be rigorous in its efforts to maintain any contractual obligation it may have to protect winners from discovery.

As to our "lucky" northern family, we cannot yet be certain that it will bless the day its numbers came up. Games of chance, according to the Koran, are abominations devised by Satan. "They ask you about drinking and gambling," says the holy book. "Say: 'There is great harm in both, although they have some benefit for men; but their harm is far greater than their benefit'." Drinkers may demur, but, as to the lottery, the Islamic view is sheer common sense.



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Letter from Woking

A haven for the dear and the departed

Richard Donkin on the discreet charms of the Surrey bourgeoisie, as viewed from a railway carriage

Knowing their station: 'filing off the train with the other commuters at Woking station, it would be easy to conclude from the vacant, fatigued expressions that you had joined the ranks of the living dead' Tony Andrews

Ever since a survey by the Reward Group, a firm of pay analysts, named Woking as the most expensive town in the UK, I have found myself enduring the odd nudge and wink from colleagues suggesting that I "must have a bob or two" to live there.

They make the common mistake of equating expense with wealth, their theory being that if something is expensive you must be wealthy in order to buy it. Expense and wealth, however, have rarely made a lasting relationship as compatible bedfellows. Wealth and thrift are a better match, perhaps, leaving expense to elope with stupidity.

Here, in Woking, are all the answers to those questions posed by economists and politicians about the lack of any feelgood factor as the UK emerges from recession. Here you can find genuine old-style Dickensian misery, as householders, weighed down by mortgages, loans and school fees, make their Micawber calculations, end in deficit, and pray that something will turn up.

Woking has one of the biggest colonies outside the capital of that semi-troglodyte sub-species – the commuter. You see us in the twilight hours at either end of the day flocking on to dirty trains to Waterloo station and the City where we grub out our high five-figure and sometimes six-figure salaries.

Pallid features, furrowed foreheads and greying temples are the hallmark of unfettered slavery, resigned adherence to the worship of work as the only source of keeping the head above water. What they so unconvincingly mask is not so much worries over negative equity – most of the souls with that particular torment have long since found their release in repossession – but totality of equity tied into property which cannot be released without a realignment in their domestic circumstances. They are not as wealthy as they think they are. Deep down they know it and it is the cause of real unhappiness.

Some find relief on the journey home from work. I was told of one commuting pack, travelling together, who sit in the buffet car and religiously down a whisky at every station from Waterloo that starts with the letter "W". After Wimbledon, Walton-on-Thames, Weybridge and West Byfleet their cares have disappeared. You have to admire the constitution of the one who passes Woking and gets off at nearby Worplesdon.

Filing off the train with all the other commuters at Woking railway station any evening of the working week, it would be easy to conclude from the vacant, fatigued expressions that you had joined the ranks of the living dead. It has not always been so. Woking's original pioneer settlers were just plain dead.

To understand this point we must go back just over 150 years to the laying of the London-to-Southampton railway line, which passed through Woking, at that time no more than an agricultural community of neighbouring villages, all smocks, straw and pantiles.

The railway arrived just at the point that London was struggling with a chronic shortage of burial land. Two entrepreneurs, Sir Richard Broun and Richard Sprye produced a plan for what they called the London Necropolis – a 400-acre city of the dead, designed to be the mother and father of all cemeteries that would serve London's needs for years to come.

It needed a Parliamentary Bill to make it happen. The result was Brookwood cemetery, then quaintly named the Glades of Remembrance, on the edge of what became Woking town. They even built a branch line into the cemetery. Thus the first commuters using Woking arrived on one-way tickets from London.

The hearse trains, with vans segregated according to class and religion, used a specially built terminus in London. The train ran until it was destroyed by the Luftwaffe during the second world war.

It was no coincidence that Britain's first public crematorium was also built in the town at a time that burial was regarded as the only accepted form of disposing of the dead. Burning was proscribed by the Church and untested in law. Enthusiasts, however, formed the Cremation Society, which celebrated a legal judgment in favour of the method by cremating one of its dearly departed members, a Mrs Pickersgill, in Woking in 1885, the first legal cremation in the UK if you do not count burnings at the stake.

Perhaps it was the same tranquil surroundings that appealed so much to the recently bereaved that also attracted London's moneymakers. Woking soon found itself the buckle of the stockbroker belt as of one London's most important satellite towns.

Every few years as London's belly bulged, the belt would loosen a notch to take in embryonic commuters. More and more trains fed the City's voracious appetite for office workers to the stage that they were pulling out of Woking station with the frequency of a London underground train at the height of the Lawson boom in the late 1980s.

Now, however, the buckle is very much tightening as families who bought their houses at that time struggle to shake off the mood of austerity resulting from by falling house prices. When prices rose, they went up rapidly. When prices came down they slumped; nothing sudden, but on a slow slide on a downward curve over the last four or five years.

On the estate where I live – a recent development – the houses are fetching about £100,000 less today than the price asked by the builder when they had just been erected.

Yet still people come here, attracted mostly by the easy commuting, perhaps, and the proximity of London's two biggest airports – Heathrow and Gatwick. Maybe, also, there is another attraction, something to do with the town's plain ordinariness and anonymity.

This might explain Woking's other funereal connection. Not only is it noted for its disposals after demise, it has also attracted notoriety in the business of dispensing death.

First it was the Sicilian Mafia. Francesco Di Carlo, one of Sicily's top Mafia bosses, lived here for a while with his two large German shepherd dogs. But Woking could have been cosier for the Cosa Nostra. Di Carlo was rumbled as the head of a £75m heroin smuggling ring and jailed in 1987; not the sort of character with whom you would want to engage in a neighbourly dispute over the hedge trimmings.

Just when we thought it was safe to mow the lawn again, I was doing just that in May when I heard the gunshot of what police later decided was a Chechen mafia hitman as he murdered a housewife on her doorstep about two estates away in an apparent case of mistaken identity.

Having recently erected a "No dogs allowed" sign on our private estate, it may be time to consider the addition of another declaring "Mafia-free zone".

So come to Woking if you want to witness the symptoms of our endemic national depression. They say it is the most expensive town in the UK. There are better places to live, for sure, but you must agree there are worse places to die.

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Minding Your Own Business

Novelty value

One man's quest for stocking-fillers goes on all year, writes **Clive Fewins**

Work or play: Toby Templer, Sid Templer and Diane Harper Ashley Ashwood

Sid Templer says his rather unusual business is best described as "a quest". It is a quest for what he calls "barmy things" – so-called stocking-fillers that sell all the year round – and this is the time of year when he begins to know whether his more recent searches have been successful.

"It's looking very good, probably better than ever," said Templer, 53, a former teacher and founder, 21 years ago, of Tobar, the company he named after his sons, Toby and Barnaby.

For most of the autumn the barns and outhouses standing on the 20 acres surrounding his Elizabethan farmhouse in rural Norfolk have been full to bursting. But now they are largely cleared of the vast stock of novelties, knick-knacks, games and toys for the nine-to-nineties that Tobar sells.

Business is by no means complete for Christmas. "Many of the 2,500 retail outlets, including museums and some specialist toy shops we supply go on ordering until December 23 for delivery on December 24," said Templer. "After 21 years in business we are able to supply goods so fast that the shops have no need to carry vast stocks. They usually get orders from us within 24 hours so they order very frequently and in effect use us as their warehouse."

After a week's break after Christmas "the quest" will start all over again. In 1995 it will take Templer and his son Toby, 25, who is a co-director, to the US and Germany. Sid Templer is also planning to go seeking ideas in India and Hong Kong.

Toby, who runs the wholesale side of the business, said: "We buy from most countries. This year we have added some letter beads from Germany, some traditional games from India and some painted acrobat toys from Sri Lanka, and also reintroduced the original sets of five hand-painted Russian wooden dolls.

"We are currently evaluating some calico hammocks from El Salvador – our first line from that country."

Not everything is imported. A specialist publisher in Bury St Edmunds, 40 miles away, produces colourful, embossed Victorian and Edwardian party masks that have been a successful line for 12 years. A local printer is responsible for the toy theatres that are another of Tobar's most successful paper lines.

The plastic goods come from many countries. They range from a new range of clockwork tortoises to a barking bulldog, an indoor boomerang, and a hen that lays eggs. Altogether the company sells more than 500 lines.

"Prices start at a few pence. You could buy one of each of many of our 500-or-so lines for less than £100," said Toby.

The most expensive line is a children's terracotta-brick building kit at £39.90. "I discovered it in Spain this year," said Templer. "I had owned a similar British-made kit myself as a boy in the 1950s, but had been trying unsuccessfully to find one for the Tobar range ever since my sons were small."

Among the least expensive lines is the fish – a paper novelty that sells at 5p. Templer introduced it 20 years ago and it is still going strong. He estimated that in the run-up to Christmas there were 100,000 fortune-telling fish in the Tobar warehouse.

When pressed, Templer admits that his real skill is in what he calls "developing and adapting old-fashioned ideas" and in selling them to different markets. A good example was a Victorian paper butterfly novelty which he "rediscovered" three years ago and sold as The Magic Moth. With a little help from Templer, it metamorphosed a year later to become The Balancing Butterfly. These now sell in packs of four for £1.85 as part of the mail-order operation, headed by third director Diane Harper.

The cardboard toy theatre is another Victorian speciality that Sid Templer has reintroduced. "I was always interested in toy theatres, but really, like a lot of our successes I put its entry into the Tobar catalogue largely down to luck," he said.

"It was a cold February day in 1990. There was a knock on the door in this remote part of Norfolk and it was a man with plans for several full-scale toy theatres. He explained that he was a former theatre director with a passion for toy theatres and theatre history and he wanted to do business with us.

"Four years later we reckon we are the biggest suppliers of Victorian-style toy theatres in the country."

An offshoot was the series of theatrical jumping jacks, that, like many lines, have developed organically from others, and appear in both the mail order and trade catalogues.

The company has never made a loss and Templer does not think business would have been so good if he had not developed the skill of what he calls "listening to improbable people". The tables in the large book-lined room in his house that is the company nerve-centre groan under piles of packages containing ideas and samples of novelties from people who have approached him.

"Somehow they manage to find us," he said. "However, this is not to say we do not go out to find ideas. We exhibit at four gift fairs in the UK and Germany every year and we are very receptive to ideas."

Tobar does its importing through agents, and finances this by means of letters of credit. "We have never had any problems with this arrangement, nor with our bank, Barclays," Templer said.

"The only time we have ever had a major loan was seven years ago when we bought the freehold here for £250,000. We still have a £100,000 loan on the property through Barclays, and although we have an overdraft facility I can't remember the figure, as we so rarely use it."

Collecting money from retailers can be a problem, but Templer has two key policies that help. Tobar will not supply goods until the previous account has been settled, and the company offers a 5 per cent discount to retailers who settle within 10 days. Templer says it is "unwise" of Tobar to offer this discount, and equally unwise for his customers not to make use of it. "But it suits our office procedure – or lack of it," he added.

Templer does not know whether it is the mail-order or the trade side of Tobar that has the bigger turnover, but he is categorical about the financial success of his company.

"In 1993 our turnover was 28 per cent up on that of 1992, and that was 40 per cent up on 1991, which in turn was 29 per cent up on 1990. In its last complete year Tobar made a net profit of £225,500 on a turnover of £2.5m," he said.

"In the run-up to Christmas we are bursting at the seams, with countless part-time staff in addition to our dozen regulars. We had to have a temporary marquee to hold excess stock and we desperately need some new storage buildings. The business seems to be recession-proof – but really I don't know why!"

■ *Tobar Ltd, St Margaret, Harleston, Norfolk IP20 OPJ. Tel: 01986-782222.*

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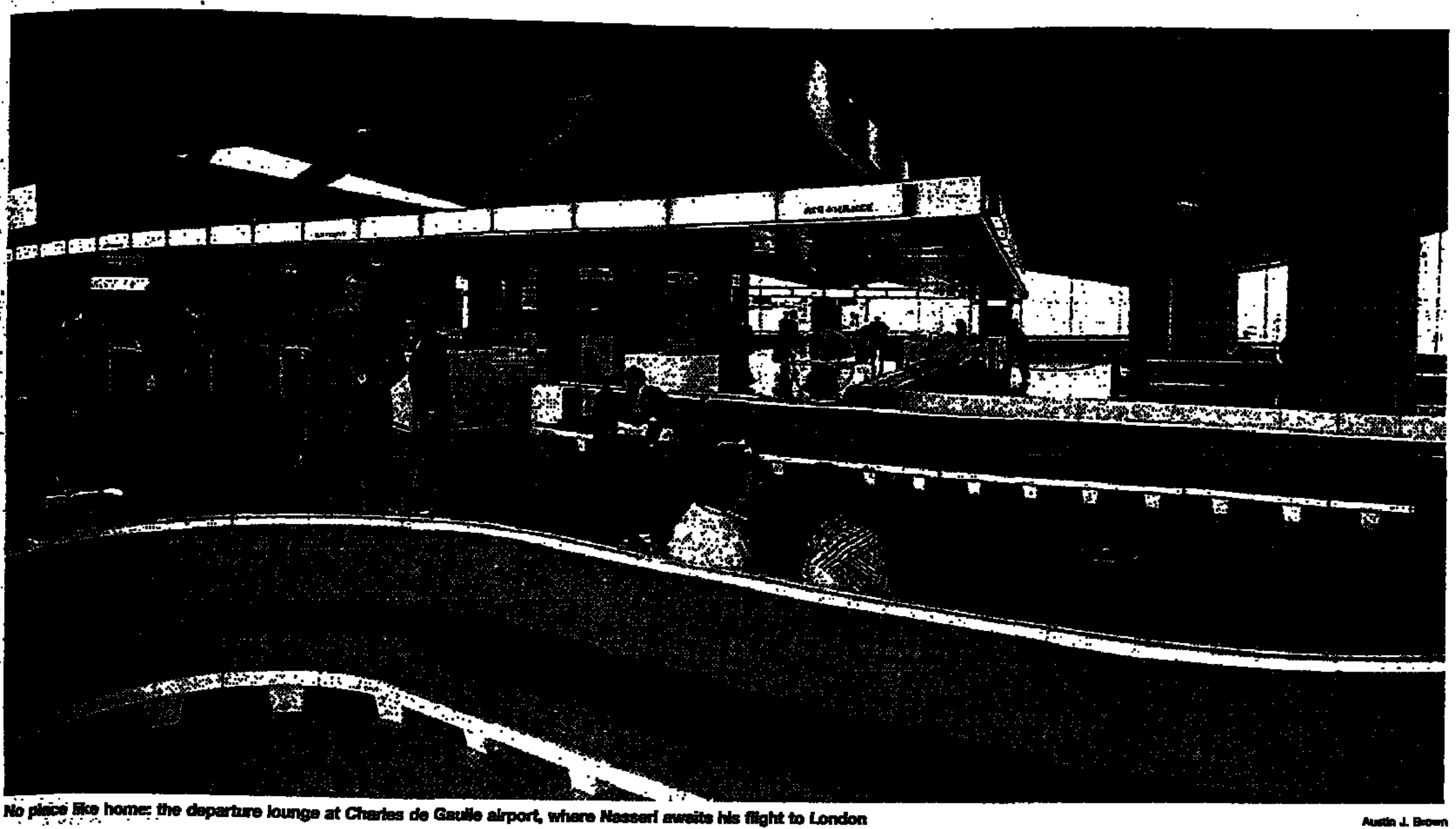

No place like home: the departure lounge at Charles de Gaulle airport, where Nasseri awaits his flight to London

Austin J. Brown

Six years waiting for a flight

John Ridding explains why one man has made his home at Charles de Gaulle airport

With his bags neatly piled on a luggage trolley, Merhan Karimi Nasseri appears just like any other passenger at Charles de Gaulle airport in Paris. Reading a newspaper alongside a fellow traveller, he might be waiting for a flight to take him home for Christmas to New York, Brussels or Moscow.

But Nasseri is not like the throng of businessmen and tourists milling around the airport terminal. While others, if they are unlucky, may face delays of several hours before boarding their aircraft, Nasseri has been awaiting his departure for more than six years.

His desired destination is London. But his last attempt to fly there, in November 1988, met with failure. Without a passport, he was ordered to return to Paris. The French authorities, however, refuse to grant him citizenship. As a result, he has made Charles de Gaulle his home, becoming the world's hardiest transit passenger in an unfortunate episode in the annals of immigration.

As Nasseri tells it, his tale is one of mishaps, misfortune and red tape. Expelled from Iran in 1977, following charges of anti-Shah activities he applied for refugee status in several European countries. In 1981 the UN High Commission for Refugees in Brussels granted his request for political asylum. He was furnished with papers allowing him to travel within countries which have signed the Geneva convention on human rights and apply for citizenship.

In 1988, however, after several abortive attempts to enter Britain, he lost his refugee certificate at the Paris Gare du Nord railway station. Undeterred, he sought once more to travel to London on a British Airways flight. Without his travel documents, however, he was returned to Paris.

What followed was a series of skirmishes with the French authorities. Nasseri was arrested three times for illegal entry into France and detained for brief spells in prisons in the Boulougne and Bobigny suburbs of Paris. Without a country of residence, however, he could not be deported. So he returned to Charles de Gaulle.

In 1992, Christian Bourget, a well-known refugee lawyer took up Nasseri's case, successfully appealing against the verdict of illegal entry. "The courts accepted that he had been granted refugee status in Belgium," says Bourget. "So the police leave him alone at Charles de Gaulle. They know there is no point in hauling him in."

The problem is that Bourget has met with less success in his dealings with the French immigration authorities. "The administration refuses to give him citizenship or to supply him with the documents he needs to leave France," says the lawyer. Nasseri wields an identification certificate which reads: "nationality – to be determined".

His applications to enter Britain have also made little headway. From a file among his bags he produces a letter from the consular section of the British embassy in Brussels. "Although I sympathise with you in your present predicament there is unfortunately nothing this office can do . . . I wonder whether the Belgian authorities can help you in this matter," the letter reads.

> He sleeps on a bench between a Burger King and a cafeteria in the basement

But officials in France, Belgium and London reject Nasseri's complaints. The UNHCR in Paris claims Nasseri could claim new documents from Brussels, which originally accepted his refugee status, or could gain access to duplicates of the documents. They say Nasseri is able to leave the airport but has decided not to, a claim which wins some support from Philippe Bargain, airport medical officer.

"I have offered to drive him to Brussels to try and sort things out, but he doesn't want to go," says Bargain. "He has found a cocoon at the airport. So he remains stationary in a place of transit."

Bourget says, however, that Nasseri remains in the airport because he is safe there. "The police at the airport know him. If he travels into Paris he might get stopped and asked for his papers, which of course he doesn't have."

Nasseri says he will leave once he is able to travel to Britain. His attachment, he says, stems from a period of study at Bradford University in the 1970s and his birth in Soleiman, a part of Iran which was under British jurisdiction when Nasseri was born there in 1945. He wants to return to study and will wait, he says, as long as it takes. "It could be months, it could be years. But I am optimistic."

In the meantime, he continues with his bizarre airport life. Meticulous and well kempt, he uses the airport facilities and travel packs from passengers for washing and trimming his Chaplinesque moustache. He sleeps on a bench between a Burger King and a cafeteria in the basement level of the futuristic Charles de Gaulle building.

Despite his unworldly predicament, Nasseri is well abreast of the news. He keeps informed through a tiny radio supplied by Japan Air Lines and is an avid reader of the press. Today he is concerned by the prospects of ratification of the Gatt treaty on international trade and by events in Bosnia. "After what has happened I doubt my course in Yugoslav studies still exists," he says, referring to his stint at Bradford.

For food, he receives meal tickets from airline staff or sympathetic passengers. Many write to him, care of the boutique basement area of terminal one, and the letters are kept in a file in one of his suitcases. A card delivered that day from Switzerland came with SFr10. It is addressed to Alfred, a name attributed by a court clerk, and by which he is commonly known.

What he misses most is "delicious food" and Marks and Spencer. "I used to buy my clothes from there in London. I don't care much for airport clothes."

As for Christmas, he is waiting to see what turns up. "Once I had Christmas dinner in the medical centre. Another time I was given champagne by British Airways," he says, leafing through his diary. Behind him, the airport speakers announce a flight to London Heathrow. But he has heard it many times before.

Learner drivers on the superhighway

In part two of a series, **Paul Taylor** tells how beginners can sign on to on-line computer information services

Armed with a personal computer and a modem, the world of on-line information is just a telephone line and a mouse click away.

Once on the "information superhighway" the possibilities are almost limitless. From weather forecasts to astro physics, there are few subjects not covered on the internet or in what has become known as "cyberspace".

The internet itself is an informal system linking more than 7,500 individual computer networks and more than 2m computers in academic institutions, companies and other organisations.

It is used mostly for electronic mail (e-mail) and information exchange by an estimated 25m to 30m people – a figure rising by between 5 and 10 per cent a month.

But the internet is not the only source of on-line information. There are thousands of bulletin board systems (BBS) mostly run by computer enthusiasts, and a wide range of commercial on-line information services.

So how does the novice begin to explore this world?

The traditional route has been the local BBS – an electronic notice board on which messages can be left. Most BBS's also enable users to send (upload) or receive (download) software and other data.

A BBS is run by "sysops" (systems operators), who are usually computer enthusiasts to help "newbies" – newcomers to the world of PC communications.

BBS telephone access numbers – the numbers used by communications software to connect a home PC modem to the BBS modem – are often listed in computer magazines.

Most on-line systems, although not CompuServe, expect your communications software to be set to the following parameters: eight bits, no parity, one stop (or 8,N,1) and support a number of different "protocols" or modem communications languages, for downloading computer files. Among the most common protocols are Xmodem, Zmodem, Ymodem and Kermit.

Usually there is no charge – other than ordinary telephone charges – for logging on to an amateur BBS. There are, however, also a growing number of commercial BBS, most of which advertise in magazines, which charge for downloading programs (and sometimes pornographic pictures), or can only be reached via premium-priced telephone numbers.

Although it is reasonably easy to set up communications software and a modem to dial into a BBS, many new users may find it easier to start with one of the commercial information services such as CompuServe Information Service (CIS) or Delphi, or a commercial conferencing system such as the Computer Information eXchange (CIX).

Although most of these services started in the US they are now available via a local call in the UK. Their big advantage over the neighbourhood BBS is that they have helpful telephone "hotlines" ready to talk new users through their first tentative steps along the information superhighway.

> Although initial charges are low, it is easy to build up a sizeable bill quickly

These services generally charge a join-up fee and then a flat monthly membership fee of between £6 and £10. However, in an effort to sign up new customers, they often waive the sign-up fee and offer potential users free trials.

To sign up with CompuServe call 0800-289378 or log on to 0171-490 8881 by modem with the parameters set to 7,1,E; for CIX call 0181-390 8446 or log on to 0181-390 1255 with the parameters set to 8,N,1; for Delphi call 0171-757 7080.

New customers usually receive membership kits which, in addition to a local access telephone number and a password – needed to log on to their master computer – usually include a manual and, in the case of CompuServe, a dedicated software package called Cim (CompuServe Information Manager), which is available in DOS, Windows and Macintosh versions.

Although initial charges are low, it is easy to build up a sizeable bill quite quickly. Commercial on-line services generally charge a flat monthly fee, and an additional fee for information outside their basic services, plus, in the UK at least, the PC user will have to pay telephone call charges.

To reduce costs, most commercial on-line services give customers local numbers which can be used to access their services.

There are also special software packages called off-line readers, or OLRs, that enable you to prepare before the communications software connects to the service and the meter starts ticking. Using an OLR such as NavCis for CompuServe or Ameol and WigWam for CIX, a one-hour session can be reduced to a few minutes on-line.

Commercial on-line services also provide one of the simplest methods of connecting to, and sampling the internet. For example CIX, CompuServe and Delphi allow their subscribers to send and receive e-mail to and from other internet addresses. They also provide access to Usenet newsgroups – there are around 10,000 Usenet "discussion groups" on the internet. And CIX and Delphi provide access to a special IP (Internet Protocol) prompt.

This means users can search for files on remote computers and upload or download files from other computers connected to the internet using file transfer protocol (ftp) via the on-line service.

At present however, the commercial on-line services in Britain stop short of providing "full" internet access. In particular they do not provide access to one of the most exciting areas of the internet – the World-Wide Web.

Since its creation in 1992 the World-Wide Web has become the fastest-growing internet service, with more than 3,000 Web sites and tens of thousands of documents published by academic institutions, companies and governments.

But to access the Web, the fledgling cybernaut needs a direct internet connection – available from a specialised telecommunications company, called an internet service provider. Direct internet access also involves running a communications program called a TCP/IP stack (the internet's networking protocol) and setting up for full direct access to the Internet can be tricky.

Fortunately, however, internet service providers have begun to provide software – or make it available for downloading. For many new users this may be a key factor in choosing a service provider.

■ *Part 3 on January 7: choosing an internet service supplier and internet software*

Fallacies that can be fatal in medical matters

Barry Groves challenges the research technique of meta-analysis

In the Weekend FT of November 26, Clive Cookson described recent uses of meta-analysis in medical research. ("New conclusions from old studies"). This is a reader's response.

You are an ambitious medical researcher. You are working in a controversial field – say, the effect of diet on heart disease. A number of clinical trials have been published, but with conflicting findings: some show a small but significant benefit, others demonstrate small but significant harm, while most have results which are statistically insignificant.

Despite the large amounts of money and resources which have been devoted to the studies, no convincing evidence is shown and no conclusion can be reached. How can you make a name for yourself?

The greater the numbers of subjects and the greater the time-span, the greater is the chance of achieving a statistically significant result. So what you might do is to collate all the data from those studies and pool them into one large study with the hope that significance can be shown and the question resolved. It is a technique called meta-analysis.

Meta-analysis has become the modern way to demonstrate significance where none appears to exist. But it is a technique beset with problems.

There have been about 40 studies of heart disease, for example, but their methodology and endpoint have not been similar.

Some have looked only at dietary factors, while others have linked diet with other "risk factors": smoking and obesity. Some have cholesterol-lowering as their goal, others count the numbers of fatal coronary events or add non-fatal coronary events, and a few look at all-cause mortality. Pooling them all could give a statistician nightmares.

Even if they were similar, however, such meta-analyses involve what is known as the "faggot fallacy". Lash together a number of sticks, each weak by itself, and you will have a bundle (faggot) which is much stronger.

In a similar manner, scientists bundle together studies, each weak or insignificant by itself, in the hope that the resulting bundle will be stronger. But it is a technique that should be regarded with extreme caution.

It is only valid if the individual studies were valid, and you can be sure that if it takes large numbers of subjects to show a significant benefit, then the real benefit for any individual must be relatively unimportant.

The benefit to the individual is an important consideration which is often forgotten.

Scientists are tempted to equate statistical significance with clinical importance. But "statistical significance" is only a measure of the probability that a treatment will be of benefit; it does not measure the magnitude of that benefit.

And where large numbers of subjects are needed merely to show a small probability of benefit from a treatment, then the treatment itself is likely to be of no real benefit to the patient.

In the search for an answer to the "diseases of civilisation", time is the scientists' enemy. Heart disease usually takes decades and cancers several years to reach a point where symptoms become noticeable. Any trial, therefore, has to be conducted for decades if it is to demonstrate a significant effect. But most scientists cannot wait that long and so another fallacy is introduced.

That is where a surrogate is substituted for the real endpoint. For example, breast cancer screening is hailed as a success because of the ever-increasing number of women being screened. The number of women screened, however, is merely a surrogate for what should be the real determinant of whether screening is beneficial: a drop in the number of deaths from breast cancer.

> Heart disease usually takes decades, and cancers several years, to reach a point where symptoms are noticeable

Unfortunately, despite the "success" of screening, the number of deaths from breast cancer is still rising.

Another fallacy that creeps covertly into much of modern-day thinking on disease management concerns the extrapolation of findings from studies: the belief that if something is good for you, then 10 times as much must be 10 times as good.

Some studies have shown that a small amount of alcohol may be protective against heart disease, but that does not mean that the heavy drinker will be healthier than the teetotaller. Most things, even water, which are beneficial in the right quantities, can be dangerous when taken to excess.

In this case, we have a further question: is it the alcohol that is the beneficial agent? Or could it be that the type of person who drinks a couple of glasses of wine during the week has a temperament which is beneficial?

Whenever the results of clinical or epidemiological studies are considered, whether singly or pooled together, someone can be guaranteed to remark that if this or that had been done sooner, many lives would have been saved.

This brings me to my last fallacy: that of cheating death. The health fanatics would have us believe that we are members of an immortal species. It is with regret that I have to inform them that we are not. No matter how we alter our lifestyles, we will not get out of this existence alive.

Much of the medical research over the past 40 years has attempted to prove that a change of diet away from fats will reduce the incidence of premature heart disease and prolong our lives. But individual studies have consistently failed to demonstrate convincing evidence of this, and meta-analyses of them have not been much more successful.

That is not surprising: all the increases in heart disease deaths over the past three decades have been in the over-seventies. Premature deaths from the disease started to fall in Britain from about 1965. At that time we had a high-fat diet, ate fried breakfasts and "went to work on an egg".

Meta-analyses of studies which start from an incorrect premise are no more useful than the studies they analyse.

To find the right answers, you first have to ask the right questions.

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A simple guide to buying a computer

What sort do I need? How much will it cost? What does all the jargon mean? **Paul Taylor** has the PC answers

Forget mountain bikes, hi-fis and designer outfits; a personal computer is second only to a foreign holiday on wish lists in Britain this Christmas, according to a survey.

The Gallup survey, conducted on behalf of Intel, the US semiconductor manufacturer, reveals that those who most want a PC are aged between 35 and 44, and the majority live in London and the south-east.

"We have seen phenomenal growth in the home PC market this year," says Nick Wood, marketing manager for Intel in the UK. "The PC is vying for attention with the television as a ubiquitous tool for the entire family."

Sales of home PCs are buoyant on both sides of the Atlantic. In the US, where 7m home computers will be sold this year, they have become one of the hottest-selling consumer electronics items, outselling everything except colour televisions.

The surge in home PC sales reflects tumbling prices and the success of computer manufacturers in designing machines with something for everyone – as the Intel survey confirms. Families with children between 11 and 15 years old are much more likely to wish for a PC in their stocking.

> For children, a decisive factor may be a system which is compatible with school

Today's home PCs boast "multimedia" features to run the latest games and "edutainment", such as Microsoft's Encarta encyclopedia. But they also run more traditional word-processing packages and home-finance software for parents. Some can double up as a fax or telephone answering machine.

Once they are hooked up to a "modem" and a telephone line, they provide access to the information superhighway – the rapidly expanding world of on-line services, electronic mail and the internet.

However, potential home PC purchasers still face a bewildering array of machines, especially if they are not an expert. So here is a guide to buying a family computer:

Question: Is this a good time to buy a family PC, or should I wait until next year?
Answer: It is never an ideal time to buy because technology is advancing all the time and prices will continue to fall. But the factors to consider include the new types of PC which are coming shortly (some, for example, will combine features such as television), new software, and the falling prices for the latest generation of faster PC chips including the Pentium and the rival PowerPc.

Q: I think I want to buy, but how much is this going to cost me?
A: The price range is from about £800 for a basic machine built around an entry-level Intel 486 chip, up to £2,000 or more for a top-of-the-range PC with a state-of-the-art Pentium processor. Remember, in Britain most PC prices in computer magazines exclude VAT.

Q: Please explain in simple language what are the most fundamental choices I have to make between equipment.
A: The most basic choice is which software operating system to choose – Apple or Microsoft/IBM compatible. Generally, Apple machines still have a reputation for being "easier to use". But thanks to Microsoft's Windows and "plug-and-play PCs" from Compaq and other manufacturers, IBM-compatible PCs are catching up fast.

There is a much greater range of software available for IBM compatible PCs. And add-ons, such as a modem or extra memory, tend to be easier to find and cheaper.

For children, a decisive factor may be which system is compatible with those at school – although many primary schools have older computers which cannot be used with either Apples or IBM-compatibles. For parents, if they intend to use the machine to work at home, they will want one that runs the same software as the machines in the office.

Q: So what sort of machine do I need?
A: The next important decision is how sophisticated a machine to buy. It is possible to buy a basic PC, which just runs conventional software, or a multimedia machine, which will also run software stored on CD-Rom discs which are similar to audio CDs and are capable of storing a vast amount of digital information.

Multimedia machines will probably also have a special soundcard inside and two external speakers which are needed to provide high quality sound. Many will also come bundled with some "free" software and some will have 15in or even 17in colour screens rather than the standard 14in variety.

A multimedia PC will cost about £200-£300 more than a basic machine. It should be possible to buy a basic PC from a good quality manufacturer for less than £1,000 and a similar multimedia machine for around £1,200.

Q: Are there any other big technical decisions?
A: Unfortunately, several. One with expensive implications is whether the machine's central processing unit – brains – contains an Intel 486 chip (or a similar chip from a different manufacturer), or a faster one such as Intel's Pentium or the rival PowerPc chip that has been developed by Motorola, Apple and IBM.

The 486 – which itself comes in several speeds ranging from a relatively slow SX/25 up to the fastest DX4/100 – allows you to run almost all the family software that is available now. But machines based on Pentium/PowerPc chips may be more use in future as software is developed which makes better use of their extra power.

The choice also depends on how much money you have to spend, how big the price difference is, and how long you plan to keep the machine – in a year or 18 months 486s will probably look old-fashioned.

But most important, what is the PC going to be used for? If it will mainly be used for simple word processing and standard games then a 486 – say an SX33 or preferably a DX2/66 – will be OK. Apart from high-powered graphics and a few other processor-hogging functions, there is not much that a 486 cannot handle adequately.

If your children insist that they need to keep up with the latest games 18 months hence, if you plan to develop an interest in rocket science, or if you explore the outer reaches of the Internet, then it might be worth digging a little deeper into your pocket and getting a Pentium or a PowerPc.

In general, it is best to buy the highest performance machine that you can afford. This prolongs the useful life of the machine and may stop you kicking yourself in six months. If you decide to go for a Pentium they too come in several types. The "slowest" Pentium processor runs at 60MHz – but is still a bit faster than a DX4/100 486. The most recently introduced Pentiums run at 75MHz and the fastest (so far) run at 90MHz.

In terms of cost, a quality P60 machine can be bought today for less than £1,500, a P75 will cost about £100 more than that and a P90 an additional £100. From a home user's point of view any Pentium-based machine will be fine, but if only the fastest will do, then go for the P90.

If you think of a mid-range 486 as a solid dependable family saloon car, then a P60 is a BMW and the P90 a Porsche.

Q: Can I buy a 486 now and upgrade it to a Pentium machine later?
A: Yes and no. Most slower 486 machines can be quite easily upgraded to a faster 486 chip using one of Intel's "overdrive" processors. In addition some machines, which are labelled as such, should be upgradable to a long-promised Pentium-style overdrive processor called the P24T.

However, beware. Upgrading to a Pentium-style chip can cause problems. Intel has a system for "qualifying" systems as upgradable, so look out for that in product specifications. Generally, it is much easier and cheaper in the long term, to buy a more powerful machine to start with than to upgrade a slower one later.

Q: I've heard of things called hard disks and "Ram". What are they?
A: Just as important as the processor, if not more so, are the other bits and pieces which go into a computer.

As almost every PC-owner will confirm, a huge hard disk-drive, capable of storing loads of programs and data, plus lots of internal memory or "Ram", which also helps speed up processes, are both vital.

The old rule with both hard disks and Ram was take the current "standard" amount and double it. Generally that rule still holds true.

Software packages are getting more hungry for power and space. Therefore it is useful to have a hard drive of at least 500MB for software yet to be developed. Lots of machines only have 200-300MB.

Similarly, many PCs come with just 4MB of Ram – which is just about sufficient to run the latest heavy-duty software programs such as Microsoft's Office Suite, but you really should go for at least 8MB.

This amount of Ram speeds up current applications dramatically, and will be essential for the next generation of software including Windows 95, which Microsoft is due to launch by June next year and which will boast a number of important and desirable extra features over the current Windows 3.1 version.

> In a high street store, do not rely on the staff knowing what they are talking about

Q: What about multimedia machines?
A: The most important thing here is to ensure that the machine at least meets the latest Multimedia PC industry-standard dubbed MPCII which lays down a set of minimum requirements.

In particular, make sure it has a double or even triple-speed CD-Rom drive because this is what is required by the latest games and multimedia encyclopedias that contain video-clips, and it must me able to read PhotoCD discs.

Q: What about picture quality?
A: This depends on two main factors, the internal graphics card and the external screen or monitor.

The graphics card, which generates the screen image, must be a capable of generating at least 65,536 colours and of supporting screen resolutions of 1280 x 1024. A card labelled "64-bit" is a good bet for a multimedia machine.

Generally the graphics card should have at least 1MB of its own video Ram (Vram) memory and ideally it should be possible to add to this Vram later. This will ensure that the graphics card is capable of keeping up with the latest software.

On an ordinary PC, as opposed to a multimedia machine, a slower graphics card capable of reproducing fewer colours is acceptable. But multimedia machines and ordinary PCs both need a high quality SVGA or better colour monitor. For your eyesight's sake, also make sure the monitor has a flicker-free image refresh rate of at least 72Mhz.

Q: And sound?
A: The sound quality from a PC's tiny internal speaker is usually pretty poor. A multimedia machine should have a 16-bit internal sound card which guarantees audio-CD sound quality. It should also have connections for external speakers and a games joystick.

A set of headphones with adjustable volume are a *must* if you do not want to listen to children playing on the computer all the time.

Q: If I get all this gear, can I dial up on-line services, cruise the information superhighway and access this internet thing I have heard about?
A: No. You need two more things: a modem, which enables a computer to send and receive information over an ordinary telephone line. Get at least a 14,400-baud modem – this speed is rapidly becoming the main standard. Fax-modems will also allow you to send and receive facsimile messages.

Then you also need the right communications software to dial up and log into on-line services. Windows comes with a basic communications program called Terminal.

For more information on gaining access to on-line services, see Paul Taylor's feature on Page III.

Q: What about home PC brands?
A: Unless you really know your stuff, it is best to stick to well-known brands with strong warranties, telephone helplines and service plans for when things go wrong. Among the well established brands are Apple, Compaq, Dell and IBM. Others include Gateway 2000, Packard Bell, Viglen and Elonex in the UK.

Q: Should I buy from big high street retailers, computer superstores or from mail-order firms, such as Dell?
A: It is a good idea to look around first. Buy a copy of one of the big computer magazines such as PC Plus or Personal Computer World then go and have a look in Dixons or one of the other high street retailers or one of the big PC superstores such as PC World or Byte, if there is one near you.

If you know what you want, buying from a well-established mail-order company that advertises in one of large PC magazines can be the cheapest and easiest way. Make sure you get an order number and a delivery date, then pay by credit card.

However many people feel more comfortable buying from a retailer or superstore. The big advantage is that you can see what you are buying and should be able to try it out.

PC superstores have a wider range of machines and should be willing to configure the computer to your requirements.

A high street store may be more convenient, but do not rely on the sales staff knowing what they are talking about. If you have a friend who knows about computers take them along too.

Q: Do I need to worry about the software?
A: Yes. All home PCs come with operating software already loaded on to the machine's hard disk, and many brand-name PCs now come with additional free bundled software such as Microsoft Works, so you can just plug the PC in and play.

With some machines you will have to load the software yourself which can be tricky and time consuming – especially on Christmas Day.

Most multimedia machines are sold with some games software and CD-Roms included in the price. Beware though, the games are not usually particularly hot ones.

You may also want to consider what extra software you want to buy, so the novelty of the machine does not wear off on Christmas morning. For older children, popular games include 7th Guest, Myst and Sim City 2000, but there are thousands of software and CD-Rom titles.

Ask friends with PCs what software they like, or read some of the reviews in the popular PC magazines.

Q: What about a printer?
A: You will probably find a printer extremely useful. These are usually made by a different group of manufacturers. The most important considerations here are what the printer will be mostly used for, the type of printer and the price.

If children will be using the printer a lot, consider buying a colour printer. Colour ink-jet printers can now be bought for around £350.

If colour is not important, then a good low-cost option is a standard inkjet printer from an established manufacturer such as Hewlett-Packard, Canon, Epson or Olivetti. These cost around £200. Dot matrix printers are cheaper but cannot produce such good print.

For the highest print quality pick a laser. Recent price cuts and technical innovations mean some laser printers designed for use with windows software now cost £300 or less. Good quality manufacturers with low cost models include NEC, Panasonic, Star and Oki.

Q: What if the machine malfunctions?
A: Branded PCs are generally sold with a one-year warranty. Check the details. Often they are back-to-base warranties, which means the PC manufacturer will fix the machine if it goes wrong, but the purchaser has to get it back to the factory or the shop.

Some manufacturers (and shops) offer extended warranties. But these tend to be expensive and it is worth noting that *most* computers that go wrong do so in the first year – which is covered by the basic warranty.

Q: Is that it, then?
A: Yes, happy computing.

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In the tiniest box

Lucia van der Post on the most thoughtful of gifts

Is there a woman in the world who would not be pleased by the tiniest of boxes, carefully packaged, nestling at the bottom of the tree, and offering up the most intimate, sweetest, most thoughtful of presents – a piece of jewellery?

Here is the run-down on just some of the options around this Christmas.

■ Infinitely desirable and wearable by almost everybody except the most avant-garde and determinedly modern, is Sandra Cronan's collection of *faux* jewels and gems – here are beautifully simple necklaces of aquamarines (one gorgeous one at £850, others at £3,500, or earrings £650) or an Edwardian *faux* diamond and pearl choker (£1,800) as well as an early 20th century steel and gilt metal cross at £140 or a late 19th century Vauxhall glass star brooch at £170. All available from her shop at 18 Burlington Arcade, London W1 (tel: 071-495 4103).

■ La Boutique Fantastique is another small gem of a shop at 13 The Royal Arcade, Old Bond Street, Mayfair, London W1 (tel: 071-409 2641) which is owned by Irina Laski who has a dramatic onyx and coral necklace with a centrepiece of 18 carat gold plated on a silver shield and heart at £350. Matching ear-rings are £315. She also has some beautiful Venetian milk-glass jewellery ranging from £160-£230.

■ Cox & Power is a new little jewellery shop at 95 Walton Street, London SW3 2HP (tel: 071-589 6335) with a rather continental approach to jewellery – that is, it produces jewellery to be worn at all times (so many of their pieces could be worn during the day) and ranging in price from £45 for a pair of hand-made silver and 18 carat gold earrings to £1,950 for a platinum set sapphire ring or scattered diamond ring. Designs are understated.

■ Kiki McDonough at 77c Walton Street, London SW3 (tel: 071-581 1777) has a knack of producing jewellery which chimes in beautifully with the lives of the modern working woman – not too grand for everyday wear yet glamorous enough to add a bit of panache to a plain dark suit. Her new gold and sterling silver collection (very useful because it means it can be teamed with either gold or silver pieces) is a perfect example of the genre – chunky square gold and silver earrings are £295, a chain necklace is £725.

■ Lesley Craze Gallery 34 Clerkenwell Green, London EC1R (Tel: 071-608 0393) is the gallery for those who like their jewellery to speak more of their sense of design and modernism than their means. This does not mean to say it is bleak or austere – most of the pieces combine a great deal of charm with real wearability. This Christmas, for instance, there are some charming dog brooches and necklaces in patinated silver by Carol Mather from £94, or lustrous bronze, copper and gold ceramic earrings by Linda Jolly for around £10 and – most desirable of all – Esther Ward's platinum caterpillar necklace for £1,027.

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Happy families: Charles; Zac, Sky and daughter Daisy; Sophie; Rose and Henry; Janet; and Nigel

Perfect gifts for difficult people

Lucia van der Post conjures up an imaginary family to offer ideas for presents for real relatives

Families, families . . . console yourself, everybody else's are difficult, too. But, as Tolstoy might have said, it is the difficult ones that are the most interesting. But no matter how difficult they may seem, somewhere there is a present to match. Here is an archetypally difficult family, and presents to please them.

Charles: in recession

In the 1980s Charles' salary looked like a telephone number. But these days life is tougher. The financial investment firm he worked for has gone under, his losses at Lloyd's still loom and Charles spends his days helping to put some financial order into his wife's catering business.

He does not often have to wear a suit so anything from somewhere like Racing Green (0345-331177) would help restore his fading wardrobe or, better still, a pair of stone-coloured cords or moleskin trousers from Hackett or Johnnie Boden (081-964 2662). A Thomas Pink shirt would go down well, too, for those days when he has to face the bank manager.

Now that Charles does not have to cut much of a figure in the office his waistline has become rather slack. He would love a chin-up bar at just £9.99 – tones up the biceps and the torso – from Lillywhites, Piccadilly Circus, London W1.

Charles loves good things but can afford them less and less – he would be thrilled by a finely-made Caran d'Ache pen – all slim lines with a good strong pocket clip and a giant-sized refill for £99.50.

He badly needs cheering up so a real boys' own adventure would be just the thing. Give him a day out learning to be a rally driver for £225. (01608-678339)

Zac and Sky: very, very green

Zac and Sky are concerned about the third world, conservation, over-population and waste. Zac is in computers and Sky is an occupational therapist but hates it.

Sky sees herself as an earth mother but her concern about using up the earth's resources means she only has one child. She is worried about her Daisy sitting in front of screens all day, laying down cholesterol for her later years.

Power Rangers In-Line skates ("the most happening way to work out") would be good for eight-year-old Daisy. With a high ankle support, soft inner linings, strong chassis and PVC wheels, they are just the thing and at £19.99 a pair (from Toys 'R' Us) Daisy will find them "awesome".

Then Sky loves traditional games such as Triominos from Goliath Games. It is, she has heard, the perfect family game. It encourages "interactive play" something Sky is very keen on. It won the Game of the Year in the Netherlands and for just £9.99 ought to give a lot of bonding.

Daisy will certainly find an Urban Forestry Kit, £2.99 from Natural Fact, 193 King's Road, London SW3 (mail order 071-352 4283) in her stocking. The kit consists of three seedlings to plant to help prevent global warming.

Sky herself would love almost anything from Natural Fact, 192 King's Road, London SW3 – an ecru towelling robe at £49.99 or Acca Kappa natural straw massage slippers at £30. As for beauty products (not that Sky uses them much) Green Things, 70 Chalk Farm Road, London NW1 is the place.

Sky believes in fair trade and loves anything with an "ethnic" label. Kashi (294/5 High Holborn, London WC1), for instance, has hand-made *papier-mâche* decorations, children's wooden jig-saw puzzles at £6, and silver-plated wine glasses from £4.50, all made by extremely poor women in India.

Janet: stressed single mother

Janet is in her late 30s, a media person with an independent TV company and, as if that was not stressful enough, she is a single mother to seven-year-old Simon. She is busy, busy, busy. She never has time to shop so what she needs are presents to soften her home and things for herself.

Give Simon a PGL Adventure holiday weekend (£79 plus insurance 0989-764211). Simon would have a ball and Janet (dearly as she loves Simon) would love a weekend to herself. She could indulge in all those new age therapies she is so keen on. She would love a voucher for aromatherapy (Aromatherapy Associates 071-731 8129, £38 a session) and she is always worried that she never has time to pretty up the house so fresh flowers arriving regularly would do wonders for her morale. For roughly £150 Parterre (071-323 1623) would send a bunch of seasonal flowers once a month for six months (delivery charges vary but in the London area would be about £3).

> Charles badly needs cheering up so a real boys' own adventure would be just the thing for him

Jewellery, if you get it right, is always a good present. A multi-stranded pearl choker from Coleman Douglas Pearls, 97b Drayton Gardens, London SW10 (starting prices £380) or one of their huge pearl cuffs (from £480) would be wonderful. She has also had her eye on Sandra Cronan's collection of *faux* jewellery at 18 Burlington Arcade, London W1 – in particular her aquamarine collet necklace at £850.

Janet likes glam clothes – she is, after all in a visual business – so anything from Browns, South Molton Street, London W1 would be appreciated. She hankers for Mulberry's Chenille coat at £495 or a delicate devoré scarf by Camilla Ridley (small ones are £99 but the luscious shawl-sized ones are £249 . . . find them at Harrods, Liberty's, Space NK).

Henry and Rose: need spoiling

Rose, dear Rose, has spent the last 20 years looking after the four children, tending the house, doing the flowers in the church on Sunday while Henry has been tending his patients as a country GP. They are both unaccustomed to spending on themselves – what with four lots of school fees and their youngest son's surprising academic success (what was his Ph.D all about? They never did quite get a handle on it) required years of parental support, and then the grandchildren coming along, the Old Manor House is looking a bit shabby . . . as are their wardrobes.

So Henry and Rose are easy . . . spoiling is what they need. Rose would love a black cashmere tunic sweater which can be given a demure elegance by the addition of heavy ivory silk detachable collars and cuffs (£265 from Madeleine Hamilton, Chichester Rents, Chancery Lane, London WC2A 1EG and 94 Richmond Avenue, Islington, London N1 0LU. Mail order 071-833 3388). Or she would love a heavy matt silk shirt with double cuffs (£75 from T.M. Lewin, 103-106 Jermyn Street, London W1).

These days Rose has difficulty keeping track of her spectacles – so her grandchildren might give her some pretty haematite beaded spectacle ropes to hang them around her neck. At £19.99 a time (including p+p) from Crystal Eyes, 12 Bemish Road, London SW15 1DG (081-789 3528). If Henry is feeling rich he could give her one of the beautiful antique lorgnettes or opera glasses sold by Optika on the Lower Ground Floor at Harrods (not cheap – anything from £250 upwards – but very special).

As a girl Rose was a promising artist and now at last she has time to start doing watercolours again – she would love the drawing pad holder, beautifully encased in leather, by Papyrus (£97.50, 48 Fulham Road, London SW3 6HH, 071-584 8022) and if somebody is feeling generous there is a paint brush tube with a waterproof lining that fits on to it with a strap for £97.50.

Rose likes jewellery. Caroline Charles, 56/57 Beauchamp Place, London SW3 (071-225 3197) is *her* sort of shop and this winter it has marvellous antique-looking diamante chokers and earrings as well as some dashing leopard skin gloves which would wake up the sidesmen in the local church on a Sunday morning.

Henry has seen too many of his patients slide into an unhealthy late middle age so he is making determined efforts to take his shape in hand. A precision-made marching compass with a luminous dial and a magnifying sight lens at £14.95 (from Presents for Men, 01295-750100) would lend his walks some interest. So, too, would a pedometer which clips to the waistband and measures the distance covered, approximate number of steps taken and calories consumed. By Sportsline at Lillywhites, Piccadilly Circus, London W1, £19.99.

Henry loves single malt whisky or, at the end of one of Rose's splendid diners, some cognac (get him an XO Cognac at £90). A classic from Talking Books for when he is driving round the countryside would go down well (make sure it is unabridged for Henry knows his classics), as would some very fine tea.

Nigel: dashing in advertising

Nigel is in his early 30s and really rather dashing (though not quite as dashing as he would like to be). Much to the bewilderment of his masters at school who remember him as rather lightweight Nigel is doing very well in advertising.

Though Nigel has had a mobile for some time he is rather bored with the bulge it makes in his Paul Smith suits – he would love the little Sony ("smaller than a pack of playing cards," he read somewhere) mobile. He knows it is expensive (anywhere between £200 and £400 depending on the discounts) but it would be just the thing.

In the 1980s his bathroom was full of premium-priced lotions and potions but now he is wary of glitzy names selling what he refers to as "coloured water" and goes for classic lines which he likes to think of as "his": Chanel's "Pour Monsieur", Givenchy's "Gentlemen" or anything by Geo. F. Trumper are the classics he likes.

In the 1980s he would spend hours watching American football but 1990s man supports his local soccer team. So he would love a video of his favourite club (Arsenal, Spurs, Chelsea . . . they are all doing them). He has intellectual pretensions so a video of a French classic movie would please him.

Nigel eats out rather less than once he did and is into cooking – lots of pasta which satisfies his need to feel creative without taxing it too severely. A proper Parmesan grater would go down well (£12.75), as would a terracotta egg-tray for £6.75 and an espresso maker that goes on top of the cooker with a ceramic pot on top around £20 or sweet little aluminium knives at £3.95 to £4.95, just right for spreading tapenade on his crostini. All from The Conran Shop, Michelin House, Fulham Road, London SW3.

He is, of course, highly computer literate and would not move without his laptop. But he is the first to admit that computers are not things of great beauty. Mulberry understands him perfectly and has produced a laptop computer case in brandy harness-leather with solid brass fittings which would be just the job for £395.

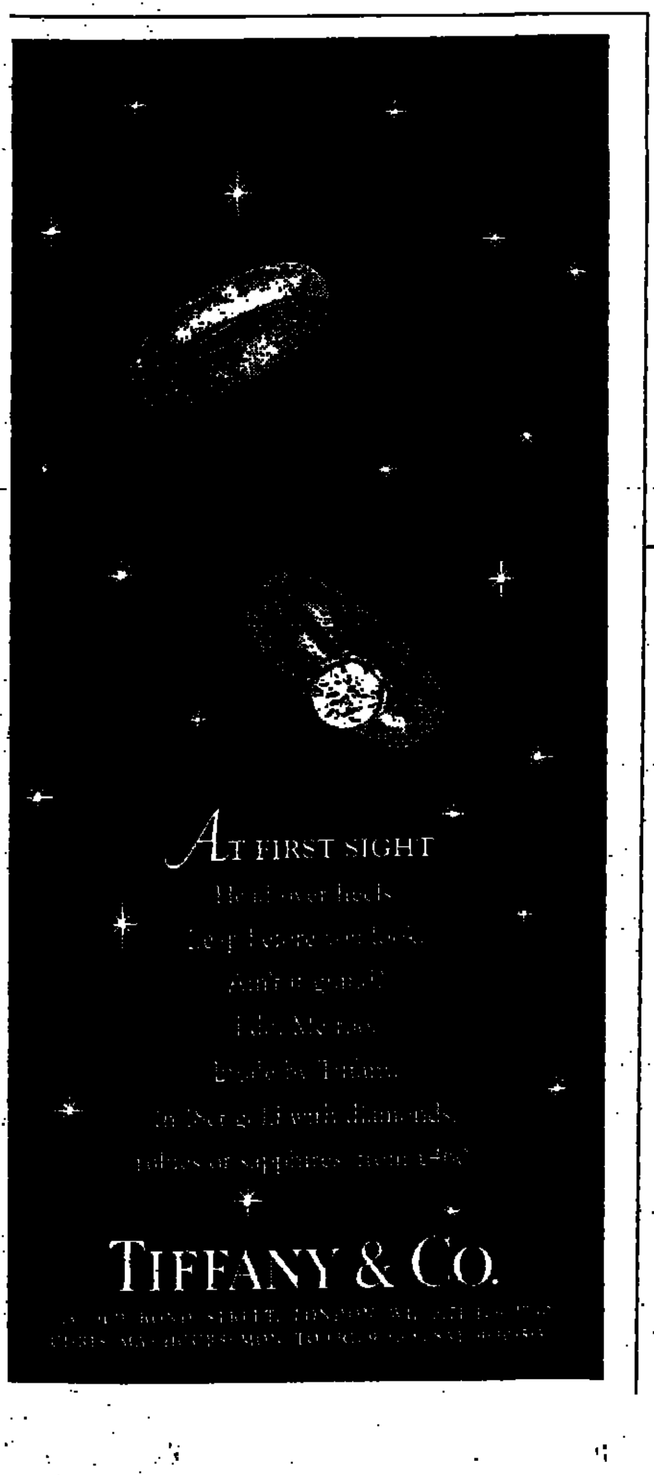
Sophie: Daddy's girl

Sophie has just turned 19 and is not what you might call academic. Her A-levels, much to Daddy's displeasure were not up to much, so after her secretarial course she took a nice little job in an art gallery. The salary is poor but she likes the slight whiff of bohemian glamour attached to it (after all Lady Helen Windsor did all right, didn't she?) and they do not mind if your lunch-hours drift on a bit.

She would really like anything from Nicole Farhi (Chanel is, dare we say it, just a little passé this Christmas) or APC (130 Draycott Avenue, London SW3) and what she would like in particular is a silver tunic or leather-wrap mini-skirt. Then she has her eye on an absolutely plain polo-neck wool body from Donna Karan's DKNY range at £79, any accessory by Patrick Cox (8 Symons Street, London SW3).

She longs to own a Discman (about £200). Now that she has to be tolerably organised for work she would like a black patent Bill Amberg rucksack to hold her personal belongings (£70 from Harvey Nichols but there is an excellent cheaper version at Debenhams for £35).

She has always longed for a silver jig-saw ring £144 from Georg Jensen, 15 New Bond Street, London W1 or silver pen from Tiffany which would fit into her Filofax (£34).



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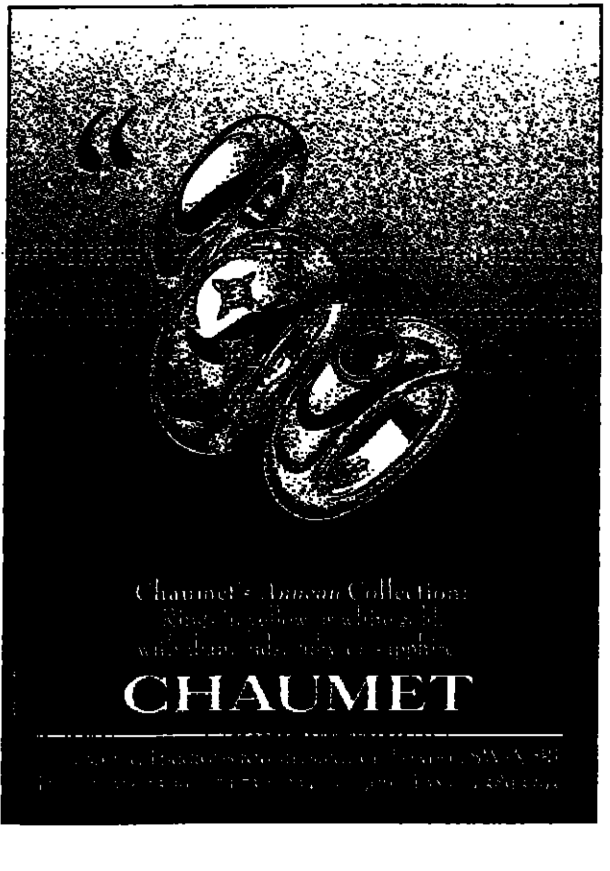

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Party dresses for the smart young things

Avril Groom on what the under-sixes are wearing

The entertainment is about to begin. The girls are twirling and preening, checking out each other's velvet and lace. The boys are already loosening their bow ties and blaming mummy for forcing them into tight-buttoned shirts.

This is not a corporate Christmas dinner but a smart tots' party in a Kensington townhouse. This is the domain of the competitive pre-prep school mother. The duels that start with fur coats at dawn outside the school gates can too easily escalate with the festive season into full-scale party wars. The end may be providing ever-more magical experiences for innocent children but the means sometimes run into extremely conspicuous displays of consumption.

At some parties the children, seated formally round tables, are waited on by the hostess's staff. The latest wheeze is the "limo party", where a number of dressed-up little girls pile into a stretch limousine and are driven round town watching videos and taking in attractions such as a museum or a burger restaurant. If the party is held at home a huge fantasy cake, costing perhaps £400 and which no one will eat, is the centrepiece. An entertainer is *de rigueur*, aided and abetted at this time of year by both Santa Claus and costumed "characters".

The usual form is for the children to arrive with their nannies, who are offered champagne; and for mothers to make an appearance at the end in order to thank the hostess. Country parties follow a similar, if more low-key, pattern – the cake may be made by a family retainer rather than Jane Asher and a glass of wine next to the Aga tends to replace the champagne and white shag pile.

In either case there are, according to one veteran of such rituals, two factions – the modernists and the traditionalists. This means, broadly, that the "characters" and the contents of the essential party bags will be inspired by Disney or Beatrix Potter respectively.

One aspect, however, is common to all. Dress is always traditional and nostalgic, involving yards of net petticoat for girls and white shirts and breeches or long shorts for boys. The only difference is in the amount of glitz. South west London leans towards plain velvet or smocking whereas the capital's northern suburbs favour gilt buttons and lace-ruffles. Similar styles appear at children's parties in Paris, Milan and New York because what is perceived as the traditional British look has become the universal standard of special occasion children's clothes.

Its origins lie in media portrayals of royal children, whose formal style has scarcely changed for generations. Andre Durand's recent portrait of Princes William and Harry in T-shirts and trainers, however ridiculed by the art establishment, was probably a more sartorially accurate portrayal of what goes on in most homes but the public perception of aristocratic children in party wear and smocked frocks has brought considerable commercial success to the original purveyors of such items.

The White House, in New Bond Street, London, specialises in hand-finished clothes which are almost children's couture and numbers tourists, arrivistes and indulgent grandmothers among its customers, along with the greatest families in the land. These are clothes which largely aim to please the giver or the parent rather than the children, who rarely appreciate the finer points of exquisite fabrics and perfect execution. Slightly simpler, but also geared to an export market with an insatiable appetite for British tradition, are clothes from Burberry, Daks Simpson and Scotch House.

British mothers are more inclined to shop at department stores or small, upmarket shops such as Young England owned by former royal nanny Barbara Barnes. Trotters, owned by Sock Shop founder Sophie Mirman, Patrizia Wigan, Bonpoint or the small Jacadi chain. The latter two are of French origin and their neat-collared, small-check dresses and shirts and Tyrolean-style knits show that in children's, as in adults' fashion, the European version of *le style anglais* is often more chic than the home-grown variety. Emporio Armani, Ralph Lauren and The Gap are other stylish imports.

As fashionable children's names filter through society, so do their clothing styles, so that today party frocks and formal jackets pack the rails of chain stores alongside the denim and the sweatshirts. Laura Ashley's redefined "British Heritage" image has been highly successful in their Mother and Child departments and the style has found an echo at Marks and Spencer, Next, BhS and – for children up to five years – Boots.

Yet the lavish party is – like most aspects of childhood – just a phase, whose passing is a source of either regret or relief to parents. Boys lose interest first, both in dressing up and in behaving with decorum.

Barnes says she stocks little for boys over six "because their mothers cannot persuade them out of sweatshirts and tracksuits".

At around the age of eight, girls go from fairy princesses to grunge queens, seemingly overnight. Then you are into the wasteland of black denim and Dr Martens, from which, with luck adolescents emerge into black tie and evening frocks around 15.

My son, aged 12, recently received his first invitation to a pre-teen ball. But he and his friends decided to pass on a grown-up, late night out because the card suggested ties might be worn. Life may currently be cheaper but the wistful nostalgia evoked by wide-eyed tots in pretty party gear cannot be denied.

Left: ☐ Bryher in raspberry boiled wool embroidered jacket, £31.95, needlecord skirt, £15.95, white cotton shirt, £13.95, velvet hat, £14.95, all from Laura Ashley. Green tights, £10 from Young England. Green shoes, £22.99 from Dr Martens, King Street, WC2.

☐ **Right:** Natasha in burgundy and green felted wool embroidered jacket, £49.95, needlecord skirt, £29.95, both from Selfridges, Oxford Street, Wl. Cotton blouse, £19.95 from Laura Ashley. Tights, £11.50 from Young England.

☐ Teddy, £125 from Harrods, Knightsbridge, SW1

From left: ☐ Bryher in green velvet dress with satin sash and lace collar, £425, from The White House, New Bond Street, W1. Shoes, £39 from Buckle my Shoe. ☐ Sacha in burgundy velvet waistcoat, £31.50, breeches, £26.50, both from Harrods, Knightsbridge, SW1. Silk taffeta shirt, £80 from The White House. Socks, £7 from Young England. Loafers, £42 from Buckle My Shoe. ☐ Natasha in claret velvet dress with lace trim, (£119 from Selfridges. Tights, £11.50 from Young England. Shoes, £52 from Buckle My Shoe. ☐ Teddy, £17.50 from Frog Hollow. Rabbit, £35 from Scotch House.

From left:

☐ Sacha in red cotton knit slip-on, £18 from Gap Kids. Red tartan Viyella shirt, £19.99, green cord breeches, £14.99, both from Trotters, Kings Road, SW3. Sock, £7 from Young England. Shoes, £12.99 from BhS.

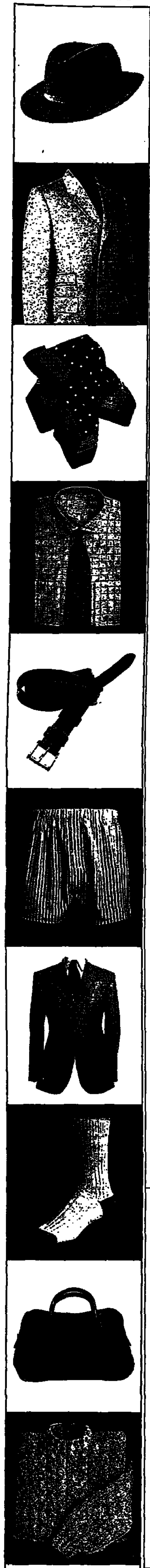
☐ Bryher in blue tartan smocked dress, £152 from Young England. Headband, £2 from BhS.

☐ Natasha in red tartan Viyella dress from Scotch House, £120.

☐ Wooden Arks £7.99 and £21.50 from Frog Hollow.

■ *Hair and grooming by Mark at Joy Goodman.*

■ *Pictures by Nicholas Bryant.*



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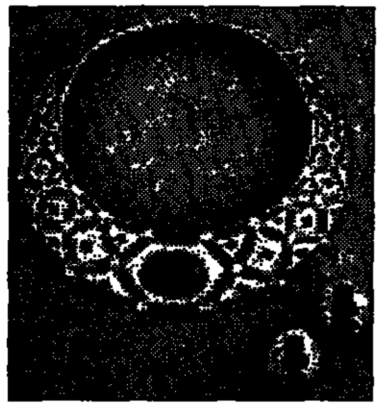

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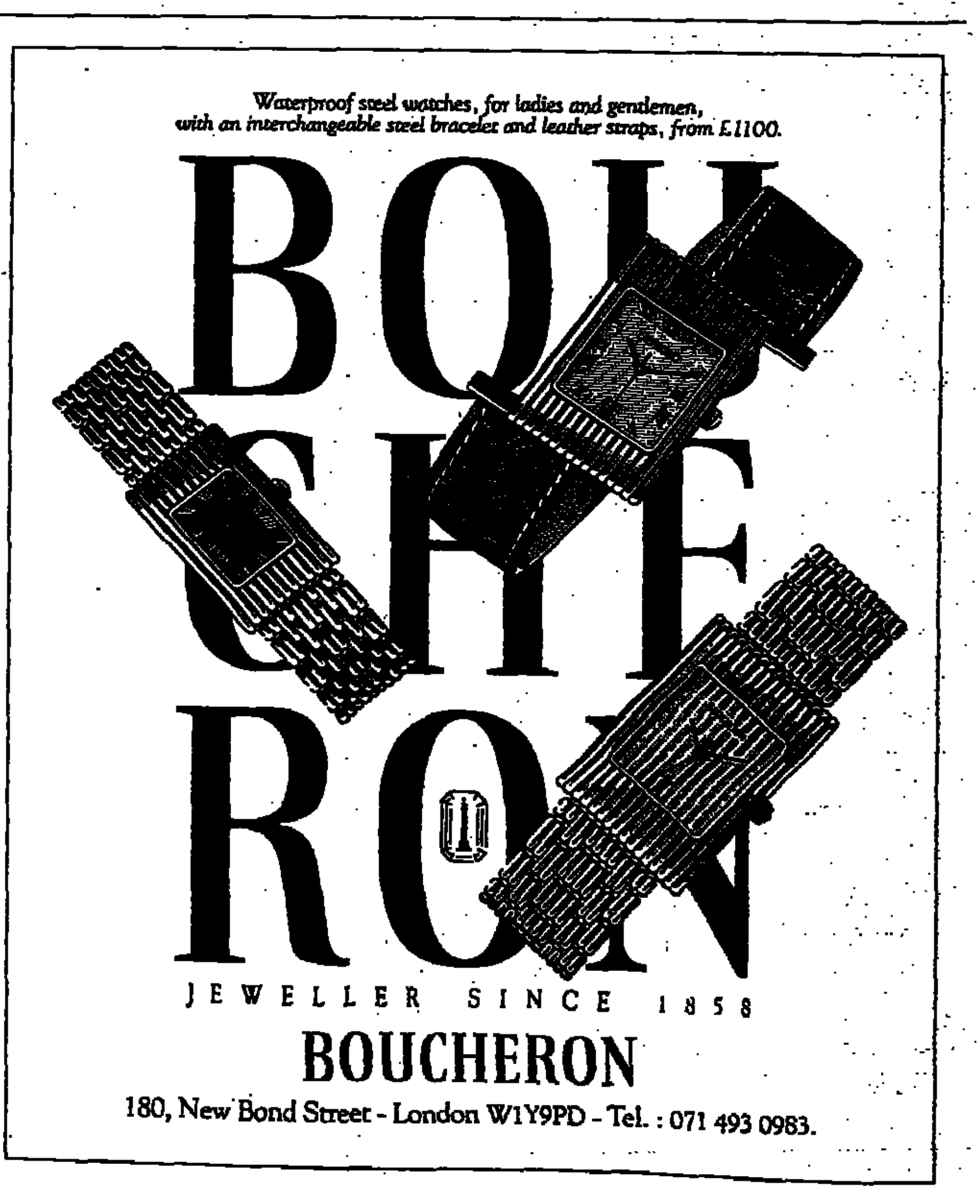

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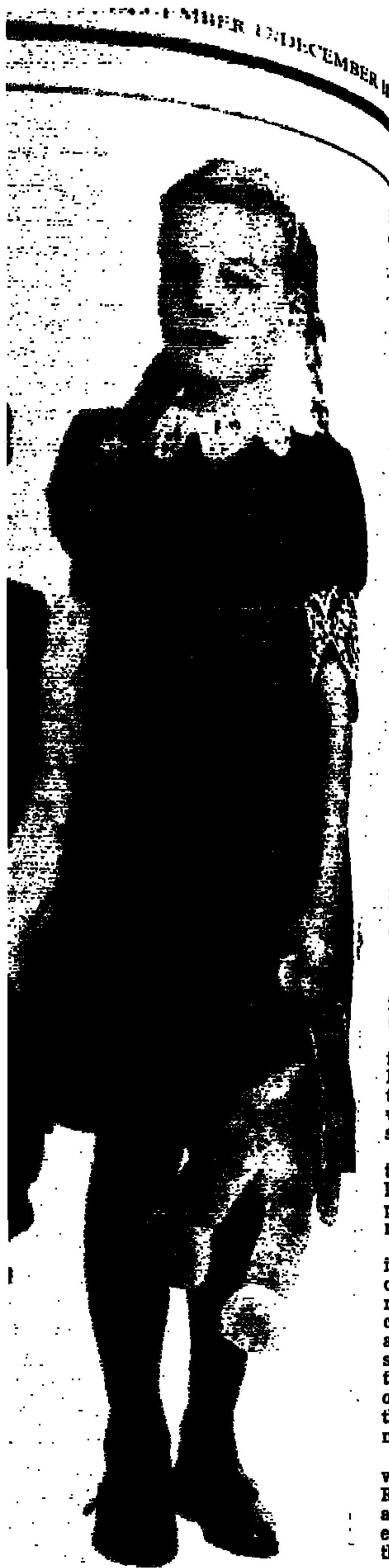
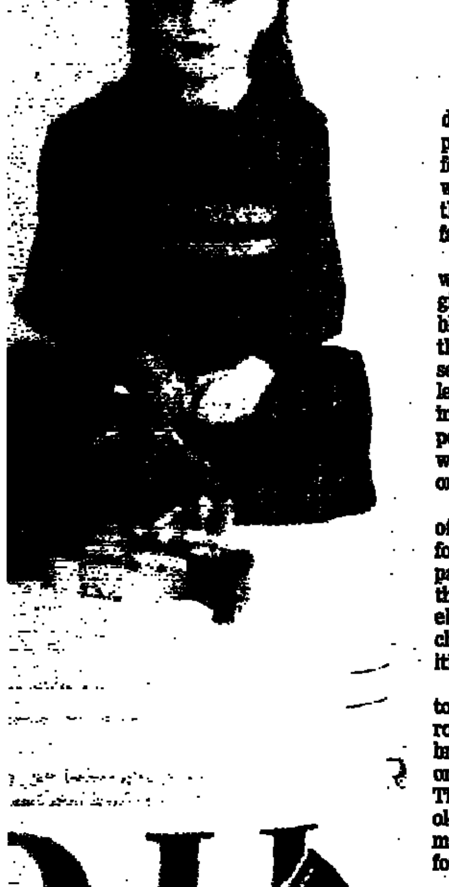




Something to go with the kangaroo fillet?

Jancis Robinson begins a two-part look at Australian wines

Just back from 10 days in Australia and what sticks in my mind? The juiciest, fruitiest little oysters I have ever had in my life, from the west coast of South Australia and now feared as commercial rivals to the Sydney rock versions; a boned, spiced quail sitting on a couscous salad with fresh date chutney; meltingly tender kangaroo fillet in chilli and black bean sauce...

Oh, and I believe I washed down Australia's dynamic new cuisine with the odd glass of wine – some of it just as exciting and mould-breaking. Come to think of it, I do not think I drank a single overtly oaky Chardonnay – the wine style with which the Australians wooed the now-infatuated British – the whole time I was there.

Australia continues to refine its wine styles. Over-oaked, heavy wines are becoming a thing of the past – in fact, within Australia, oak is now seen as an enemy to be tamed.

Many wines are sold with the word "unoaked" on the label, typically carrying a price premium above basic Chardonnay.

The cheaper product's fruit is often given "oak flavour" by oak chips rather than by maturation in barrels, which can cost as much as A$1,000 (£450) apiece once they have been shipped from France, although the Australian wine industry is one of the better customers of the American oak barrel business.

Australia's new pride in its widely planted Shiraz (the Rhône's noble Syrah) has been a delight to behold – and I even got the faint impression that Cabernet Sauvignon was out of favour, although admittedly I spent most of my time in the Barossa Valley, Australia's Shirazshire.

Another noticeable trend is that Australia, like California, is developing its own band of Rhône Rangers, producers cherishing other vine varieties commonly – if in some cases erroneously – associated with France's Rhône Valley. As in California, Grenache and Mataro (aka Mourvèdre) were scorned as cheap workhorse varieties for years, until their respective direct links with Châteauneuf-du-Pape and Bandol were recognised.

Today dry-farmed (non-irrigated) Grenache from the likes of Rockford and Turkey Flat (grape-grower Peter Schulz's fruit made at Rockford) is offered with pride in the smarter restaurants of Adelaide, Sydney and Melbourne. Another cult wine is RBJ Theologicum, a gamey blend of Grenache and Mourvèdre from the Barossa (the 1993 is £7.49 from the Australian Wine Centre).

> Australia is now a seriously useful source of well-made sweet wines, typically about £7 a half bottle

And was it my hopeful imagination or was Riesling actually making a comeback as opposed to being about to? These racy, dry wines make a great alternative aperitif to champagne.

Certainly Australia is now a seriously useful source of well-made sweet wines, typically about £7 a half bottle, that can, often should, be drunk young. They are not desperately popular in Australia itself and so it is up to us to encourage their producers to continue with this painstaking sideline.

In Britain there are still scores of beautifully made wines to be found in the price bracket Australia continues to do best, £5-£10ish a bottle, and a high proportion of them are sold by the Australian Wine Centre (AWC). Tel: 0800-716893 until December 22 at 50 Strand, London WC2 and afterwards by mail order only.

■ WHITES:

☐ **Primo Estate Colombard 1994, £5.99, Australian Wine Centre (AWC).** Charmingly idiosyncratic wine made from a grape variety that is usually dull as ditchwater, but in the hands of Joe Grilli (the "Joseph" of the cult red wine Moda Amarone), these grapes ripened under the merciless sun of the Adelaide Plains become a full-bodied, spicy, fruity, dry white.

☐ **Stafford Ridge Lenswood Riesling 1991, £6.75, Adnams of Southwold; £6.99, AWC.** Geoff Weaver releases his Riesling late, and here is the closest the Adelaide Hills get to Alsace. Definitely dry (which not all Australian Rieslings are), long and kernel-scented.

☐ **Chapel Hill Eden Valley Riesling 1993, £6.49, AWC and Bottoms Up.** Pure, long, intensely aromatic.

☐ **St Hallett's Chardonnay 1993, Tesco, Thresher etc, £7.49.** Big, broad Barossa-style of Chardonnay but with enough subtlety to convince an extremely experienced Burgundian blind taster that it was made with French and not American oak.

☐ **Ironstone Semillon Chardonnay, £5.99, Majestic, Fullers, Cellar 5.** Truly interesting South Western Australian that smells of tangy Semillon, but has the weight of carefully grown Chardonnay – a less expensive label from Cape Mentelle.

☐ **Rothbury Hunter Valley Chardonnay 1993, £5.99, Oddbins, Davisons and Marco's shops around London.** First-class value for medal-winning liquid gold. Buy lots of this vintage; the Hunter is suffering dreadfully from drought.

☐ **Petaluma Chardonnay 1992, £9.99, Oddbins.** Very good price for this level of sophistication from the cool Adelaide Hills. Great delicacy for the moment, but this one is worth hanging on to until the four to eight-year-old "drinking window" recommended by its maker Brian Croser.

☐ **Shaw & Smith Reserve Chardonnay 1993, £10.99, Winecellars.** Textbook early-1990s barrel-fermented Chardonnay. Where will fashion take us from here – back to matchsticks in pineapple juice?

☐ **Henschke Croft Chardonnay 1993, £11.95, Lay & Wheeler, of Colchester, Essex.** Savoury oak, appetising. A third fine Chardonnay from the Adelaide Hills.

☐ **Primo Estate Botrytis Riesling 1993, £7.99 a half, AWC and Harvey Nichols, London SW1.** Pure but not for purists, as this was made by inducing the botrytis mould at the winery rather than in the vineyard, but for me it is a delightfully racy sweet wine without the clout of a Griffith Semillon.

■ REDS

☐ **Peter Lehmann Vine Vale Shiraz 1992, £3.99.** OK, so it is less than £5, but do not complain, just enjoy the oomph.

☐ **Chateau Reynella Basket Press Cabernet/Merlot and Shiraz 1992, £6.49 each from Oddbins.** Evidence of Australia's new pride in "old-fashioned" wine technology.

☐ **Chapel Hill Cabernet Sauvignon, £7.99 Tesco, Thresher and £8.99 AWC.** The AWC will soon have some of Pam Dunsford's miraculous 1992 vintage, which was voted best of the best at this year's Canberra show. It is deliciously suave and persuasive now but should get even better. The 1991, which Tesco is selling at £7.99, during December, is also worth taking seriously and it is expected to stock the 1992 next spring.

☐ **Cape Mentelle Cabernet/Merlot 1992, £7.49, Majestic.** This is the bargain from the Western Australian arm of the company that brought you Cloudy Bay, although alcohol freaks should be thrilled by the zany Zinfandel 1991 stocked by Adnams of Southwold at £8.95, and bargain hunters may prefer the cheaper Ironstone label.

☐ **Coldstream Hills Pinot Noir 1993, £8.49, Oddbins.** Lavishly refinanced and on a medal-winning roll, this Victorian winery run by the wine writer James Halliday has Australia's surest touch with the red burgundy grape – although Bannockburn can be damn fine too, as indeed is the Tasmanian Freycinet (join the waiting list on Boxford Wine, 0787-210187).

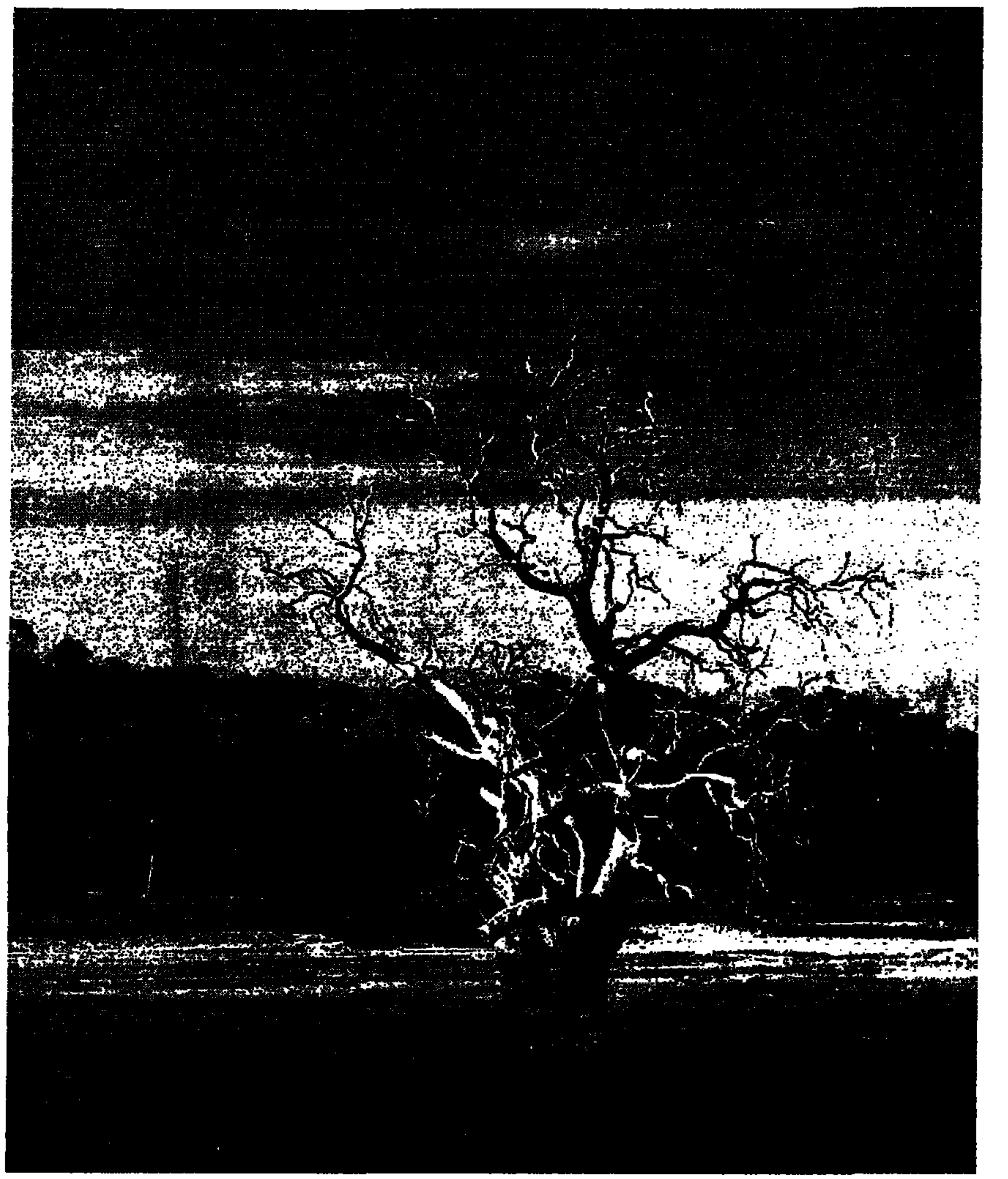
☐ **Henschke Abbott's Prayer Merlot/Cabernet 1992, £12.95, Lay & Wheeler.** Very superior stuff, apparently designed to win over those who find most Australian reds just too big.

☐ **Yeringberg Cabernets 1990, £13.75, Bibendum of London NW1.** Gorgeously fashioned, serious, glossy, fine claret from the Yarra Valley.

☐ **Yarra Yering Dry Reds, £16.99, Oddbins.** Majestically idiosyncratic, just like its maker, the donnish Victorian Dr Bailey Carrodus.

☐ **E & E Black Pepper Shiraz 1990/91, £13.49/£12.75, Eckington Wines of Sheffield (0246-433213).** This is the sort of strapping red Aussies themselves fight over.

■ Next week: why the next two Australian vintages may prove crucial.



Vineyards in the Barossa Valley, Australia's Shirazshire

Mick Rock/Cephas

Cookery / **Philippa Davenport**

Let's not talk turkey this year

Cooks who have cooked more Christmas turkeys than they care to remember often dream about, and may even plan on, serving something different on December 25. But when it comes to the crunch the conservative will of the family nearly always wins.

Ah well. Console yourself with the thought that if you give in and stick to the inevitable bird and all its trimmings that large family gatherings seem to expect and demand, at least the Christmas day mood in your household will be more peaceable than in those in which novelty has been forced on the natives.

It is only when small groups of like-minded adults join forces, and children and grandparents are notably absent, that alternative Christmas celebrations stand any real chance of coming to happy fruition.

For those who have managed to escape the year-in year-out routine, here are some celebratory suggestions that centre on seafood rather than poultry. Those committed to the same old Christmas menu as usual might like to save these ideas for January dinner parties.

DOVER SOLE WITH OYSTERS AND MUSHROOMS

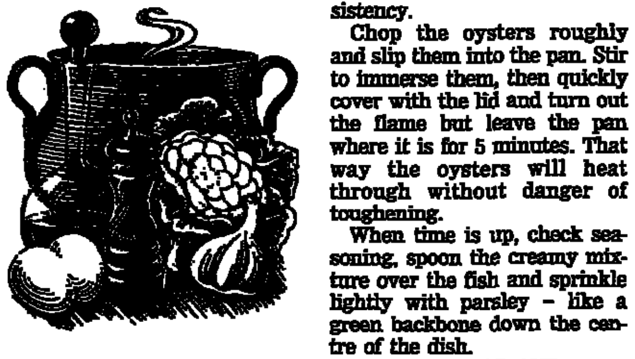
Three good size Dover soles are enough to serve four people as a main course, or six as a first course, but as this is Christmas I would use four fish. Ask the fishmonger to skin and fillet them for you and bring home all the trimmings – essential flavourings for the sauce.

4 fine plump Dover soles; 1½ dozen oysters; 4-6 oz chestnut mushrooms; ½ pt double cream; 2 tablespoons Noilly Prat; half a lemon; 2 tbsp chopped parsley.

Simmer the fish trimmings and mushroom stalks in 1½pt water for half an hour. Strain and reduce to ¾pt to concentrate flavour. Just ½pt is needed for this dish. Save the remaining ¼pt for another day (you could use it, for example, to make the scallop and squash ravioli recipe given below). Boil the Noilly Prat until reduced by half, mix it with ½pt of the stock, season lightly and reserve.

Slice the mushrooms, put them into a small saucepan with the cream, some sea salt and a grinding of pepper. Half-cover and bring very slowly to simmering point. Remove the lid and simmer for about 10 minutes until the liquid is somewhat reduced and sticky. Stir occasionally during this time to prevent a skin from forming. Set aside.

Shuck the oysters. Lay the sole fillets in a buttered gratin dish and pour the oyster juices over them. Add a grinding of pepper and a squeeze of lemon and lay butter paper over the top. (Everything up to this stage can be done ahead.)



Cook the fish on a pre-heated baking sheet in the oven at 375°F-400°F (190°C-200°C) gas mark 5-6 for 5-6 minutes. Transfer the fish carefully to a warmed serving dish and keep hot while you finish the sauce.

Boil the sole cooking liquor for a minute or two and gently reheat the mushroom cream. Add the first to the second and bring back to simmering point. Continue simmering briefly if needs be to achieve good consistency.

Chop the oysters roughly and slip them into the pan. Stir to immerse them, then quickly cover with the lid and turn out the flame but leave the pan where it is for 5 minutes. That way the oysters will heat through without danger of toughening.

When time is up, check seasoning, spoon the creamy mixture over the fish and sprinkle lightly with parsley – like a green backbone down the centre of the dish.

SCALLOP AND SQUASH RAVIOLI

Decorative and flavoursome, this will serve six as a not-too-substantial main course. To make more of a meal of it add extra scallops or large raw prawns freshly grilled. If possible enlist a pair of helping hands for the final stage of cooking so one of you can sear the scallops while the other deals with the pasta, then both can assemble the dish.

10 fine scallops; 1 butternut squash; 8 sheets lasagne, home-made or bought (fresh not dried); 1 oz sun-dried tomatoes in oil, drained and cut into snippets; 2-3 tablespoons toasted pinenuts; a bunch of basil; 1 generous teaspoon finely chopped ginger root; 1 generous teaspoon coriander seed, freshly toasted in a dry frying pan and reduced to a powder; 2 garlic cloves and 1 onion, both finely chopped; 4 fl oz richly flavoured fish stock; 4 fl oz freshly squeezed orange juice and the finely grated zest of 1 orange; 4 tablespoons olive oil; 3 oz butter.

Halve and seed the squash and steam it for 10-12 minutes until tender. Blot dry, peel and quarter the flesh. Cut most of it into ¼ inch thick slices. Dice the rest finely. Cover and reserve.

Clean the scallops, gently separate the corals from the whites and slice each white across into two or three discs depending on the plumpness of the cushion. Set aside.

Sweat the onion for 10 minutes in the oil in a heavy-based pan with a well fitting lid. Add the garlic and ginger and sweat for 10 minutes more.

Cut the pasta into large ravioli squares and prepare the other ingredients as described in the ingredients list. (Everything up to this stage can be done ahead.)

Add 1 oz butter to the onion pan. When it has melted and the mixture is hot stir in the coriander and sun-dried tomatoes. Add the orange juice, zest and squash. Cover tightly and cook over a minimal flame for about 15 minutes until everything is well heated through. Shake and stir the contents of the pan once or twice and season with salt and pepper after the first five minutes.

When ready, lift most of the solids out of the pan with a slotted spoon (leaving some of the diced squash, onion and flavourings behind with the liquid) and keep them hot in a covered dish in a low oven.

Add the stock to the pan and the remaining 2 oz butter cut into dice. Let the mixture bubble up and blend to make a rich sauce and check seasoning.

Meanwhile, cook and drain the pasta and sear the scallops in batches in a hot sauté pan barely filmed with oil. Scallops need only to glance at the heat; turn and remove them in the order in which you added them to the pan, and keep them hot with the squash.

Finally, to assemble the open ravioli, lay some of the pasta squares on a warmed serving dish. Spoon some of the filling over them, sprinkle with freshly torn basil leaves, cover with more pasta squares and pour on some of the sauce. Add extra layers in the same way, ending with the last of the sauce. Scatter with the pinenuts and strew with basil for the sake of its colour and sweet peppery bite.

Appetisers

Chef's accolade

Flemish chef Roger Souvereyns has been crowned king of Belgian cuisine on his 58th birthday. Souvereyns, owner of Scholteshof restaurant in Hasselt, was awarded 19.5 out of 20 in Gault-Millau's guide to restaurants in continental Europe, 1995. That rating, the highest Gault-Millau ever gives, earns him the title of Chef of the Year. He has two Michelin stars.

From your table in the restaurant, you can watch Souvereyns in the kitchen, composing carefully concentrated flavours. He works closely with Nicolas Santi, his young French sommelier, who this year won the title of Best Sommelier in Belgium for French wines. Says Souvereyns: "For me, the wine is as important as the food. If the wine does not balance the food in its flavours and spices, it can kill the dish, and the reverse is also true."

Scholteshof, literally the bailiff's house, is an 18th century manor in Limbourg, Flanders, near the Dutch and German borders. Souvereyns has attracted a loyal following of cross-border diners.

The restaurant is set in grounds planted with a maze, a vineyard, orchards, a traditional herb and vegetable garden, and a lawn with an ornamental border, pond and gazebo and is about 45 minutes from Brussels.

Scholteshof is refreshingly relaxed. If you want to drink – rather than merely taste – the wine, think about staying the night at the comfortable hotel that is part of the complex. It is worth noting that Belgium has just tightened its drink-driving laws.

Three-course seasonal lunch BFr1,700 (£33) or BFr2,550 including wine. Scholteshof Kermstraat 130, 3512 Hasselt-Stevoort, Belgium. Tel: 32 2 11 25 0202. Closed Wednesdays.

Eva Kaluzynska

■ Aubrey Newman & Daughters of 79 High Street, Burford in Oxfordshire (0993-822592) is a sister company of Shaws Delicatessen at 360 King's Road, Chelsea, London. The country siblings, who bill themselves as the Cotswolds' premier food and wine shop, are running a programme of special pre-Christmas events. Today customers will "be treated to exquisite excess" with savoury tastings of truffle breads and truffle sauces, sweet samples of truffle Christmas pudding, champagne truffle chocolates and much more.

Philippa Davenport

■ Once again, Oddbins has released a range of malt whiskies for the Christmas season, all keenly-priced and sold at cask strength.

They are: the Bruichladdich 1980, at £29.99; the Highland Park 1976 (59 per cent), at £32.49; Glengarioch 1971, at £39.99; 17-year-old Port Ellen (59.6), at £29.99; 22-year-old Brora, at £39.99; 23-year-old St Magdalen (58.1), at £39.99; and Dallas Dhu 24-year-old (60.6), also at £39.99. It should be remembered that these high strengths mean that you are getting a bottle and a half of a whisky at 40 per cent alcohol, but you will need to add more water.

The Highland Park is a gorgeous dram with all the peatiness you would expect from this Orkney stalwart; the Glengarioch has classic Speyside sweetness; the Port Ellen has a surprising fruitiness, rather like raspberries (you try it!); the St Magdalen is as elegant and understated as a good Lowland should be; the Dallas Dhu a classic in honey and heather.

I have had better bottlings of Bruichladdich; and the Brora has an odd redolence of summer road works which might frighten off the less committed whisky buff.

Giles MacDonogh

■ Correction: In my article of December 3, "A good but not great vintage" I stated that M André Porcheret, wine-maker of the Hospices de Beaune, had previously been with the Domaine de la Romanée-Conti, whereas he had been at Dom Leroy.

Edmund Penning-Rowsell

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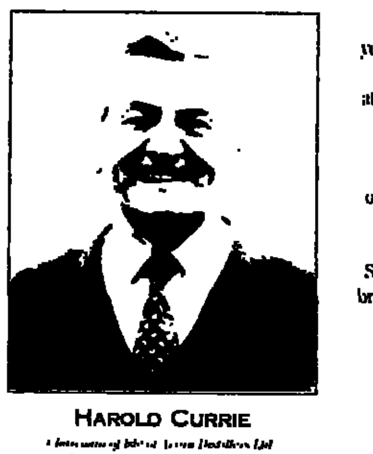

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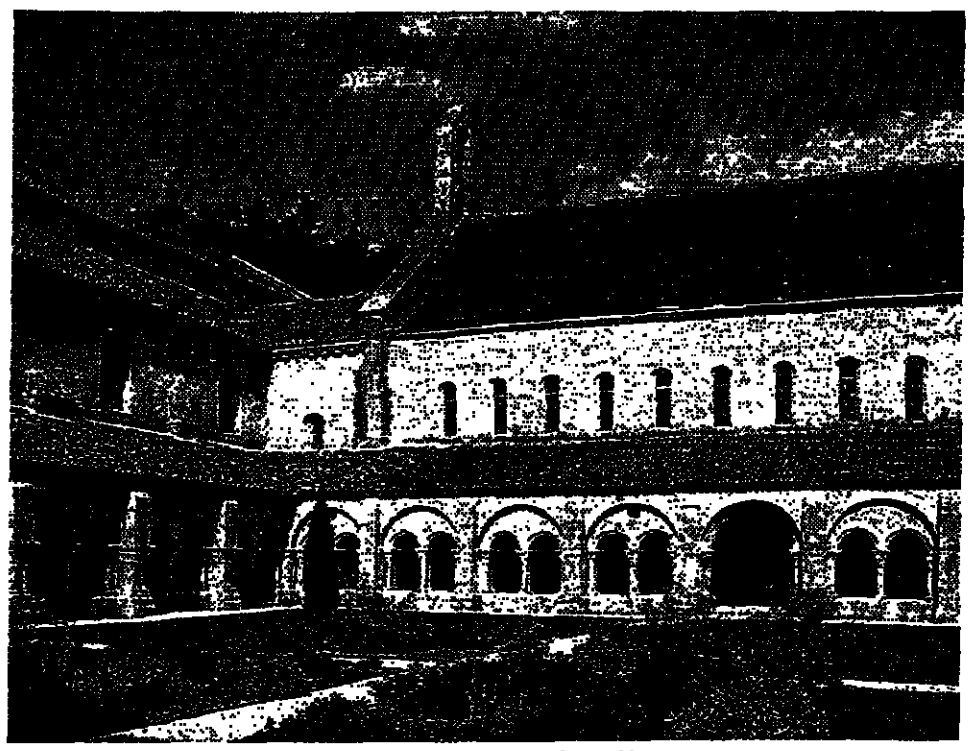
Paul Betts, in Burgundy, tastes abbeys, basilicas and churches – and worships at the region's heathen temples to gastronomy



Fontenay: thought to be the best-preserved Cistercian abbey in the world

Caphas

The cloisters at Fontenay

Caphas

The gastronomic pilgrimage started at L'Abbaye Saint-Michel. Overlooking the town of Tonnerre, near the vineyards of Chablis, the Benedictine abbey had long been a favourite stop for pilgrims on their way south during the Middle Ages.

There are no monks left these days. Instead, the abbey has been converted into a plush four-star Relais et Châteaux hotel with a two-star Michelin restaurant.

On a sunny December Friday, the abbey, carefully restored by its owner Daniel Cussac, a public works engineer, was hushed. We had arrived from London on a long weekend tour of northern Burgundy to combine the best tables of the region with its rich monastic culture. With Christmas approaching, it seemed an appropriate cocktail: total unashamed gluttony blended with spiritual meditation.

There has always been an affinity between food and religion, even though the great Cistercian abbeys of Burgundy were built as a reaction to secular excess. The Cistercian order was founded at the end of the 11th century as an antidote to the sumptuous rituals and materialistic trappings of the Benedictines. No Dom Perignon for them. They believed in simplicity and nature.

"For God's sake. If men are not ashamed of these follies, why do they not shrink at least from the expense," wrote St Bernard, the guiding spirit of the Cistercians. The same could apply today to the prices of top restaurants in the area.

We were alone in the big dining room overlooking the cloister gardens where two characters out of Clochemerle were trying to fix the drains. Christophe Cussac, the son of Daniel, had prepared what was described as a light lunch: *Pot au Feu de Foie Gras Paysanne; Ailerons de Volaille aux Raviolis d'Epoisses; Bar à la Peau au Cidre du Pays d'Othe; Rognonnade d'Agneau aux Courgettes à la Grecque; Fromages; Gaufrettes à la Poudre de Miel; Friandises.*

Monsieur Cussac *fils* is a small, shy man who worked under Joël Robuchon, arguably the best contemporary chef in France. Robuchon trained to be a priest but found his true vocation in cooking. The religious connection was taking deeper root.

We left Monsieur Cussac, worrying about filling his monastery in the off-season in a region which has traditionally been a one-night stopover for travellers heading to the Mediterranean or back north.

Lunch had only been an appetiser. We headed towards Joigny for the Côte Saint Jacques: the first of the trinity of famous three-star Michelin restaurant we were going to try.

In the hills, they were already pruning the vines, a job which, ideally, should be done in March. But the vineyards in this northern part of Burgundy have been expanding since the growers discovered techniques to overcome the spring frosts. As the sun was setting, thin trails of smoke rose from the hills from the small stacks of burning cut vines, as if the wine growers of Chablis were electing a new Pope.

The Côte Saint Jacques sits on the main road running through the old town of Joigny on the banks of the Yonne. It is a typical *maison bourgeoise*, which was converted 40 years into a modest pension by Marie Lorain.

The youngest of her four children, Michel, who trained as a pastry chef, took over the running of the roadside inn in 1958 with his wife, Jacqueline. Over the years, they have transformed the Côte Saint Jacques, together with their son, Jean-Michel, into one of the country's most prestigious restaurants, where a typical menu costs about FFr600 (£71.34), and a luxurious Relais et Châteaux hotel.

Inside, it is a slick, stylish establishment. Its modest burgundian roots have been replaced by the Parisian idea of rustic chic. The Lorains are equally slick: so polished and polite that you feel there is never a tantrum in the kitchen.

The bedrooms are in another house on the other side of the road on the river bank. To avoid guests being run over, or catching a cold in their evening gowns, the huge rooms are reached through an underground tunnel. The result is a sense of amnesia: stuck in the middle of nowhere surrounded by the sort of luxury that would make a bank manager tremble.

We sat in the candlelit dining room, with waiters in black patent leather shoes breezing around as they delivered the terrine of oysters, the scallops in a cappucino froth, the lobster galette, the hare, a pineapple shaped like a straw hat worn by a paddy field worker, more puddings, chocolates and little sorbets.

Food at this level is an art form, at least it is venerated as such in France. Michel Lorain appeared and gave a small audience to each table. He told us he had composed an English menu for the Méridien hotel in Piccadilly, London. "I looked up some old English recipes in an old cook book," he said. "I cooked steak, kidney and oyster pie, but each ingredient separately to avoid confusing the tastes too much." He was drooling a little. His hands were slicing the imaginary products as he talked with the movements of a skilled surgeon.

For a Friday night, the restaurant was not full. It was a bad time of year, but the long recession in France has not helped just as the new motorways have diverted travellers away from the traditional Burgundy staging posts. It has made holding on to three stars all the more important because there are people still prepared to scour the world to pay any price for a French gastronomic experience. Two stars, forget it.

The three-star restaurateurs have also been forced to make concessions to the modest no-star customers to maintain the necessary cashflow to support the heavy costs and risks of running a top table. On the other side of the river, the Lorain family have built a new hotel, Le Rive Gauche, with affordable rooms and meals.

It was still sunny on Saturday and time to revive the spirits and the soul. We stopped briefly at the Cistercian abbey of Pontigny, visited by Thomas Becket in exile and resting place of St Edmund Rich, the Archbishop of Canterbury who fell out with Henry III. These days, Potigny continues to attract English pilgrims.

At Fontenay, about half an hour's drive away, Hubert Aynard was waiting. He is the happy owner of probably the best preserved Cistercian abbey in the world, which has been designated since 1981 as a "universal heritage" site by Unesco. Set in a valley of woods and streams, the abbey was founded by St Bernard in 1118. It is a perfect example of his spiritual aesthetics. "What is God? He is length, width, height and depth," he said. It is all there in its utopian simplicity.

Lorain pere et fils: so polished and polite

The abbey's more recent story is equally magnificent. After the French Revolution, all religious life ceased at Fontenay and the Directory put the property up for sale in 1791 for FFr78,000. It became a paper mill until Edouard Aynard, a banker from Lyons, bought the place in 1906 from his father in law, Raymond de Montgolfier. Sparing no expense, he set about restoring the abbey. Subsequent generations have continued his work.

In the abbot's house, Hubert Aynard explained that industry in the case of Fontenay had helped preserve, rather than destroy, the monastic complex. The paper mill buildings had been added on to the original monastery. They had acted as wrapping paper and when they were pulled down, the original stones and structures were virtually all there.

> Meneau is a self-taught cook, regarded as one of France's most unconventional

We left Aynard, who lives at Fontenay and keeps the abbey open all year round, for another shrine. St-Père-sous-Vézelay is a little village nestling at the foot of the monumental basilica of Vézelay, once one of the great capitals of Christianity, visited by crowds of pilgrims to pray by the relics of Mary Magdalene. More come these days to eat at Marc Meneau's L'Espérance.

Meneau is a local boy from St-Père, a self-taught cook who has come to be regarded in France as one of the country's most unconventional gastronomic giants. If Lorain has risen to three-star Michelin stardom thanks to his inventive but safe cuisine, Meneau has done so by his extravagant, extrovert and sensual approach to food. "You either like what he does, or hate it," said one local connoisseur. "But it is very sexy."

Meneau converted his mother's village grocary store into a flashy restaurant and hotel, with a whiff of decadence and a strange combination of kitsch and good taste.

On Saturday night the restaurant was full. The staff was working overtime and lacked the polish of the Côte Saint Jacques. There followed a sequence of the most extraordinary culinary experiments: walnut soup; a spoon with a lump of pan fried mash potatoes stuffed with caviar; a croquette filled with what I think was foie gras diluted in Marc de Bourgogne; sensuous open shellfish held on the big round plate by some gooey substance followed by a cold shell fish cream with lobster jelly in the middle; turbot served with hunks of bone marrow; and on and on.

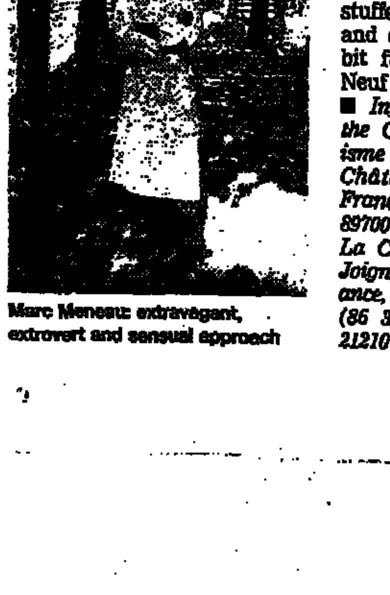
Presidents and princes have regularly dined at L'Espérance to discover the textures, aromas and flavours of the local countryside which Meneau blends in his dishes.

Serge Gainsbourg, the *enfant terrible* who died of drink and cigarettes last year, spent months at a time at L'Espérance. He would play on the piano late in the night at the bar and, one year, organised a massive fireworks display on New Year's Eve. He dropped FFr500 tips and has left fond memories in this small corner of Burgundy. His epitaph could have read "When you've lost all hope you turn to L'Espérance."

It was nearly 2am and Meneau, a strong, arresting man, was puffing a bazooka-size cigar. I stupidly asked why you never get a decent portion of vegetables in a three-star restaurant. "It's not aesthetic," he said dismissively.

Like Lorain, Meneau has also expanded with a new annex and a lower-priced restaurant. But the economic climate was improving. His indicator – Romanée Conti, the prince of Burgundies, which sells for FFr4000 to FFr6000 a bottle in the restaurant – was telling him so. "We used to sell about one a month. It went down to one every seven months. Now we are back to about one every two months."

We left Vézelay on Sunday, after high mass in the basilica, for Saulieu, our last epicurian stop. La Côte d'Or has been a popular stopping place for more than a century. But it became internationally famous in the 1950s when Alexandre Dumaine turned it into a gastronomic milestone for the jet set of the day travelling down the Nationale 6 from Paris to the Riviera.



Marc Meneau: extravagant, extrovert and sensual approach

Bernard Loiseau and his wife acquired the hotel in 1982 and at great expense restablished its reputation as a French gastronomic landmark. For Loiseau his three Michelin stars are a matter of life and death. "Our business virtually doubled over night when we won our third star," explained Madame Loiseau. "It would be a disaster if we should lose one," she added, explaining that they have had to borrow heavily over the years to expand and modernise the restaurant and hotel.

Bernard Loiseau is a perfectionist who as a teenager was already dreaming to become a great chef. His restaurant was also a good choice to end our gastronomic tour because Loiseau has created a light cuisine using water-based and wine sauces and as little fat as possible. "You won't find a single pot of cream in the kitchen," said Mme Loiseau.

Bernard Loiseau: Michelin stars are a matter of life and death

We ate lentil soup, pike-perch on a bed of shallots in a wine sauce, a pigeon, chocolate pudding. One would not have felt full if one had not spent the last 48 hours eating.

On the motorway, rushing back to catch the evening flight from Orly to London, I was asked by my other two companions which restaurant I preferred. It was impossible to answer, but I suppose, I said, I would take my wife to La Côte Saint Jacques, my mistress to L'Espérance, my mother to la Côte d'Or and my mother in law at L'Abbaye Saint-Michel.

I dozed off and started thinking of Alfonse Daudet's lovely Christmas story of the parish priest who raced through Midnight Mass to get to the party traditionally held after the service as quickly as possible. He stuffed himself silly that night and exploded. But that was a bit further down in Château Neuf du Pape.

■ *Information: I was a guest of the Comité Régional du Tourisme for Burgundy, Relais et Châteaux hotels and Air France. L'Abbaye Saint-Michel, 89700 Tonnerre, tel 86 55 05 99. La Côte Saint Jacques, 89300 Joigny (86 62 09 70). L'Espérance, 89450 St-Père-sous-Vézelay (86 33 39 10). La Côte d'Or, 21210 Saulieu (80 64 07 66).*

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هكذا من الاصل

A day with Hals, Steen and Rembrandt

Adam Hopkins seeks out locations in Amsterdam which have inspired generations of artists

Say cheese: just follow your nose to the cheese market in Amsterdam

Universal Pictorial Press and Agency

Let's face it, there are plenty of museums in Amsterdam – almost too many. And they are generally presented as if the noblest of achievements is to wear out good shoe-leather in them, especially the Rijksmuseum. As a paid-up lover of Dutch art, I agree, of course – but only up to a point.

How can one fail to be moved by the wide skies and infinite cloudscapes of the Dutch landscape and water painters; fall willing victim to the bricks and brooms of Pieter de Hooch's street scenes; or laugh colludingly at Jan Steen's scenes of family confusion? All this before the bigger guns of Rembrandt and Vermeer, Frans Hals and latter-day van Gogh are even wheeled into action.

But the real place to begin in Amsterdam, if you want to enjoy it best and feel at least some of the impulse that drove the painters, is with the actual subject-matter they depicted. Much of it still exists in this most eye-catching of cities.

Start with the canals, the greatest of them devised in 1609 by an inspired town planner and dug a little later in a majestic triple ring – Prinzengracht, Keizersgracht and Herengracht – around two thirds of the city, giving it the curious horsehoe shape which it has never lost.

Rembrandt and company were at the height of their powers during this undertaking and there is little in Europe that is lovelier than to submit to the canal-side scene of the 17th century, the interplay of brick and gable, leaf and branch and water, with the narrow, delicate canal houses aspiring ever upward, their fronts as full of windows as a Dutch East Indiaman of square-rigged sails.

The multiplicity of human characters that Rembrandt featured may not persist in quite the same form – all seems a little more uniform today – but there is still a huge variety to experience: faces and demeanours Dutch and Indonesian, Surinamese and South Moluccan, faces of the old Dutch empire, faces – counting in oneself and other visitors – from everywhere.

Then, to take a more concrete example, there is the ever-appealing flower market on the Singel canal, which is itself a modern version of an older market now infilled at the back of the town hall. The original can still be found in quite a few 17th century paintings of the city – I came on an example just the other day in the Thyssen-Bornemisza collection in Madrid and there are others in Amsterdam's engaging Historical Museum.

> An enduring aspect of the city is its pubs and eateries, patronised by the painters when they were flush

The town hall, a grandly classical building endlessly represented by the painters, still exists just as it was. A 10-minute walk, alongside the main road or canal, will bring you from Dam Square and the town hall to the delightful West Church or Westerkerk – sketched by Rembrandt – with the pompous crown of the Habsburg Archduke Maximilian on its tower.

Rembrandt is buried in the interior, exact spot unknown, and there is a statue of Anne Frank, who lived and suffered just 100 yards away, outside the church's door.

Across the canal here is the old working-class district of the Jordaan, much given in the 19th and early 20th centuries to revolutionary disturbances, themselves often depicted by the painters of the day. This is another excellent district for strolling.

And back on the far side of town, close by the often-choppy river Amstel – which of course gives its name to the whole city – you will find swing bridges of the type that van Gogh favoured.

You do not need to know the painterly references to enjoy a canalside start to Amsterdam – it all becomes crystal clear when you finally hit the museums – but you can certainly pick up a trick or two from the painters as you progress.

For yet another enduring aspect of Amsterdam is its excellent pubs and eateries, much patronised by the painters when they were flush.

You could start right in the middle of town, close to the History Museum. Here Haesje Claas in Spuistraat will offer you traditional Dutch grub in a cosy, old-fashioned atmosphere, the sort of interior the painters often showed.

You can imagine the kind of food – a *stampott*, say, featuring curly kale and meatballs.

Or, more my line at mid-day, the old and pretty pub of Hoppe, right on Spui square, will serve an excellent cold beer, while Kootje van Brootje, a superior sandwich bar next door, proffers soft white rolls with raw herring and onion.

(Those in the mood could skip the beer and go for a quick shot of Dutch gin, the rougher young or *yonge* being preferable, in my opinion, to the smoother *oude*. In which case they might end up like someone in a Jan Steen painting.)

There are other restaurants round here for evening time – the posh and sometimes touristy but always entertaining Five Flies (more properly d'Viff Vlieghen), with its host of ancient little dining rooms and quirky corners (more Dutch interiors), or Lucius, where the effort goes into the excellence of the fish-dinners.

But as with the canals, one ought to range a bit. How about an Indonesian rijstaffel, many-dished, in Tempo Doelo near the Rembrandtsplein? Or a hint of designer sophistication at Les Quatre Papillons – one of the four chefs, the so-called *papillons*, is English.

As for the Jordaan district, it is much less known to visitors. Steer by nose – almost all pubs serve food as well as drink. Last time I was passing I had a meal (evenings only) in de Reiger – the name means Heron – in Nieuwe Leliestraat, and very good, and very homely, it was too.

Which brings one, finally, to the museums. The History Museum, of course, is excellent. One could say the same of the Maritime Museum, although it is vast and you will not want to see it all; as is the much-lauded Jewish Museum.

But really, I suppose, we are talking Rijksmuseum for historic Dutch painting, van Gogh Museum for the one-eared master, and the Stedelijk for international modern.

Although the van Gogh can be done as a single – and extraordinarily illuminating – whole, it would take days to get right round the other two. My own tactic is to pick just one or two painters at a time (the guidebooks come in very handy here) and otherwise concentrate on the canals and eateries, and even, maybe, take a quick flip through the red light district. That way I may not get much wiser but I certainly feel I get into the spirit.

■ *Adam Hopkins visited Amsterdam as a guest of Travelscene, tel: 081-427 4445, staying at the excellent Pulitzer Hotel on the Prinzengracht, a series of converted canalside houses joined to make a single, decidedly upmarket, hostelry. Flight by Transavia from Gatwick. Three nights, two sharing, breakfast, airport transfer, from £314.*

Restaurants: medium price – Haesje Claas, Spuistraat 275, (tel: 62649995) and Les Quatre Papillons, Beuliingstraat 5-7 (6261912); expensive – de d'Viff Vlieghen, Spuistraat 294 (248369) and Lucius, Spuistraat 247, (6241831); economic – Tempo Doelo, Utrechtsestraat 75 (6256718) and de Reiger, Nieuwe Leliestraat 34, (6247426).

Food prices are comparable to London, maybe a shade lower, although you certainly have to watch wine costs.

By bus in Guatemala

Mark Hodson has an eventful journey by public transport

Both men and women wear brightly-coloured clothing

Panos Pictures

José sat beside me wearing red and white pin-striped trousers and black leather chaps. He had a long straight Mayan nose and dry black skin like crumpled linen. On his head, at a slight angle, sat a straw boater.

He was taking the bus home from market, along with his wife and two young daughters and a chicken in a cardboard box. They lived in Todos Santos Cuchumatán, in the mountains of north-west Guatemala.

José was a Nam Indian, a true descendant of the ancient Maya yet, like his village, his name was Spanish. The conquistadors had made the arduous trek to Todos Santos even before a road was built to connect it to the outside world.

The Spaniards converted the inhabitants to Roman Catholicism, gave them new names and a distinctive local costume. Legend has it that the men of Todos Santos were so taken by the finery worn by one particularly flamboyant Spaniard that they all copied it.

Today, the villagers still make the straw hats by hand and a boy does not properly become a man until he is allowed to wear the red shirt with its brightly patterned cuffs and upturned collars.

The bus pulled out of Huehuetenango with a few nervous coughs and a loud roar. I shared a seat built for two with José and his family. One of the girls was allocated to me and she sat on my lap for the entire journey staring silently up at my alien face.

As we approached a police checkpoint the conductor told everyone to crouch on the floor. There were 20 or 50 people standing in the aisle and they all obliged, the men gently laying down their machetes, the women heaving babies on to nearby laps.

We made it through but at a second checkpoint we were stopped and a policeman noticed the bus was illegally overloaded. A small fine was negotiated and we were off again.

For anyone over 5ft 6in tall, the seats were horribly cramped – the bus had been designed to carry American schoolchildren. Above the windscreen, between a blaring tape deck and a picture of the Virgin Mary, a faded sign warned: "No Swearing, No Horseplay."

After 20 minutes we ran out of road and started to climb a lush mountain, rarely getting out of first gear and hardly topping walking pace. The driver, a man in his 40s with sunglasses, a greasy quiff and a row of silver teeth, handed over the wheel to his conductor so he could chat up a woman passenger.

An hour later we reached the peak and pulled up at a lonely truck stop 10,000ft above sea level. The men filed off, loosened their chaps and relieved themselves against the side of the bus.

They did not speak much. Spanish remains their second language and they would smile and exchange pleasantries but little more.

After a light lunch of Coca-Cola and dried cakes we were back on the road crossing a stark barren plain. We dropped into a steep valley.

We could see Todos Santos spread out below us when we heard another bus behind, hooting and snarling as it tried to pass on the narrow dirt road. Our driver refused to pull over even when he stopped to set down passengers.

The other driver jumped out of his cab and ran up to our bus, swinging a machete, stamping his feet and howling obscenities.

Our driver pulled away, stopping on the next bend to let the other bus pass. As it did so a young man stood in the doorway of the other vehicle, and waved the machete. With a flash of steel he slashed one of our tyres and we ground to another halt.

Todos Santos was a picture of peace and tranquillity. Around the whitewashed colonial church half a dozen young men leant in doorways, talking in whispers and coyly posing in their brilliant costumes. Families sat outside their adobe huts weaving: women at the looms, children bundling up cotton and men sewing little bags.

The villagers had set up a workers' co-operative and their tiny shop was packed with colourful weavings, each with a tag showing the name of the person who had made it.

Next day, I saw a funeral. Half a dozen small children were walking down the main street in single file, each holding a peace lily and solemnly staring ahead. Behind them a boy of about 14 supported the rough-hewn coffin of a child across his shoulders as if he was carrying his own cross.

He was followed by a dozen women in dazzling red blouses and skirts. None displayed any emotion. It was exquisite and heart-breaking.

There was just one restaurant in town which served the same meal of scrambled eggs, black beans and tortillas for breakfast, lunch and dinner, and a hostel with horse-hair beds in draughty rooms that got hellishly cold at night. I lasted two days before I got back on that bus.

This time we broke down after just 45 minutes. A second bus took us back to Huehuetenango where I found I had missed the connection east to Sacapulas and would have to wait until morning.

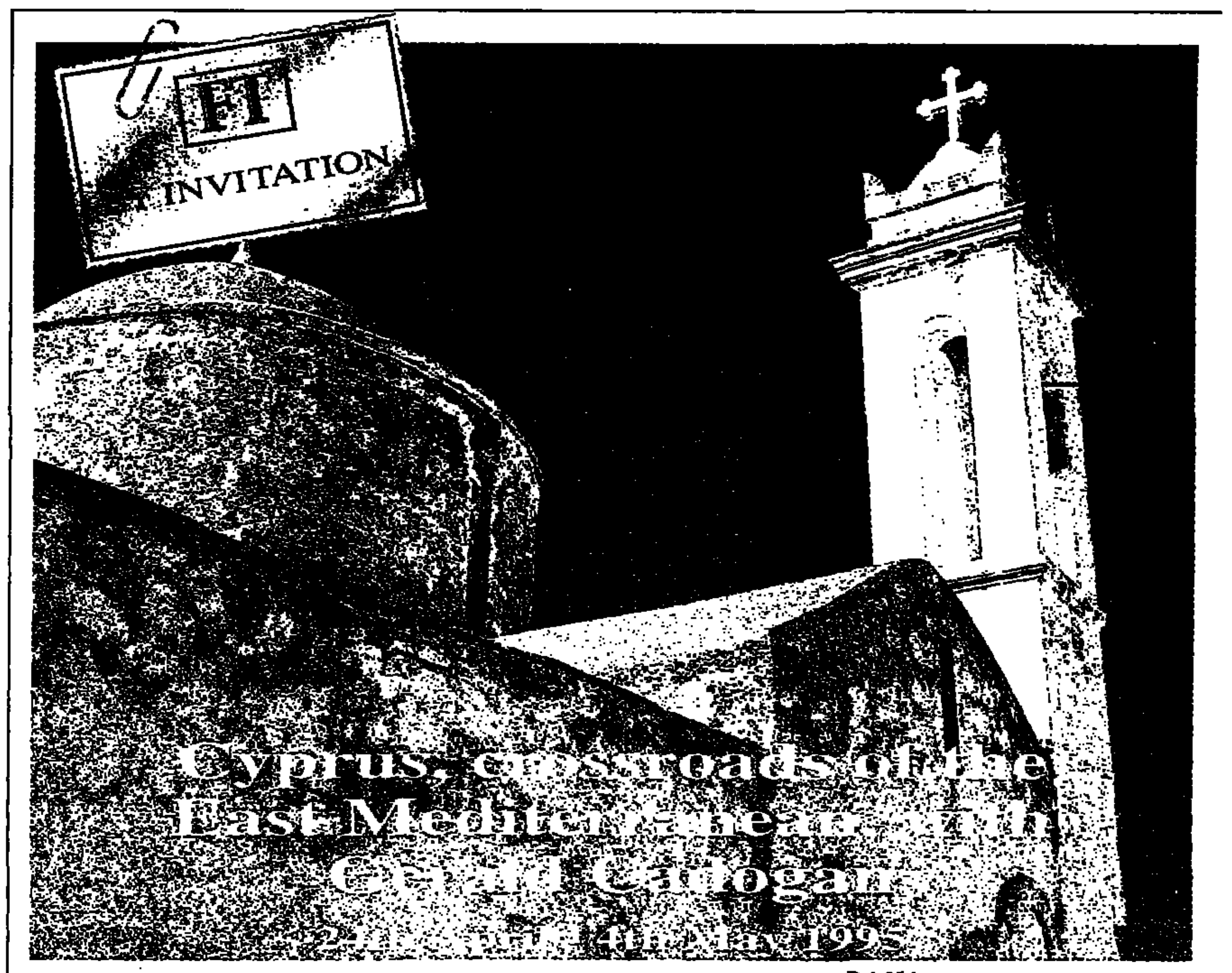
Next day at 11am I was back on the road with another lunatic at the wheel who hurled us around the winding mountain roads until after two hours we shuddered to a halt when the transmission shaft snapped. I sat at the side of the road dreaming of cold beer, watching a herd of oxen overtake us and thinking that even by Guatemalan standards three breakdowns on the trot must be considered pretty bad luck.

A United Nations truck pulled up but the driver refused to give us a ride so we had to wait two hours for the next bus. When it came it was already nearly full but the driver seemed so pleased to see a rival broken down that he made sure everyone squeezed on.

By the time we reached the little crossroads town of Sacapulas at the foot of the Cuchumatán mountains it was almost dusk. I had missed the last connecting bus to the village of Nebaj and was looking for a cold drink when a lorry driver offered me a lift.

He was leaving immediately so I clambered up the back of his open truck, clinging to the edge as we thundered high into the hills. I turned and through the swirling dust saw a warm golden sunset over the valley. I looked down to find myself standing on a mountain of wooden crates filled with beer.

■ *Journey Latin America (081-747 8515) take escorted groups through Guatemala, Mexico and Belize, staying in budget hotels and using public buses. Prices for 20-day trips start at £1,210 including flights, but not accommodation.*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The road to true conversion

Gerald Cadogan looks at homes made from churches and chapels

All Saints, Langport is the first large medieval church that the diocese of Bath and Wells has declared redundant, and "it will certainly not be the last", warns Philip Nokes, deputy diocesan secretary.

More will follow as congregations amalgamate, but still lack the money to maintain their fine buildings. And the recent hugely increased parish payments to the dioceses make it ever harder for the faithful few to keep a roof over their heads.

At Langport, the parish of 3,000 has another large gem of a medieval church (Huish Episcopi St Mary), 500 yards away. How could it support two? Which should go?

Objectors to losing All Saints tried to appeal to the Privy Council. An attempt to hand it to the Churches Conservation Trust failed, because the trust did not have the money to take it on.

Now, it is on the market. Cluttons is inviting any reasonable proposal for a new use, subject to consent from the local council, English Heritage and the Church Commissioners. No price is set. The sale could be freehold or leasehold. Grants may be available. Special care must be taken not to disturb interred human remains.

The alternative to vesting in a trust is conversion or demolition. But knocking down listed churches and chapels is bound to meet resistance from councils, conservation bodies and, often, the non-churchgoing community.

Converting churches is tricky. As potential homes, they do not subdivide well. It needs ingenuity to make them good places in which to live.

Happier adaptations are as studios, workshops, restaurants or concert halls. Such uses make the most of their generous proportions and are popular with planning officers as they maintain the "integrity" of the building.

Unfortunately, the pews which are often part of that integrity will almost certainly be discarded.

In North Dorset, the council's conservation officer hopes to produce a list of buildings at risk, to elicit sympathetic buyers.

He has submitted the names of several buildings to SAVE Britain's Heritage, a pressure group which publishes a similar list entitled "Stop This Rot: A Collection of Buildings to Restore in England & Wales", at £10.95.

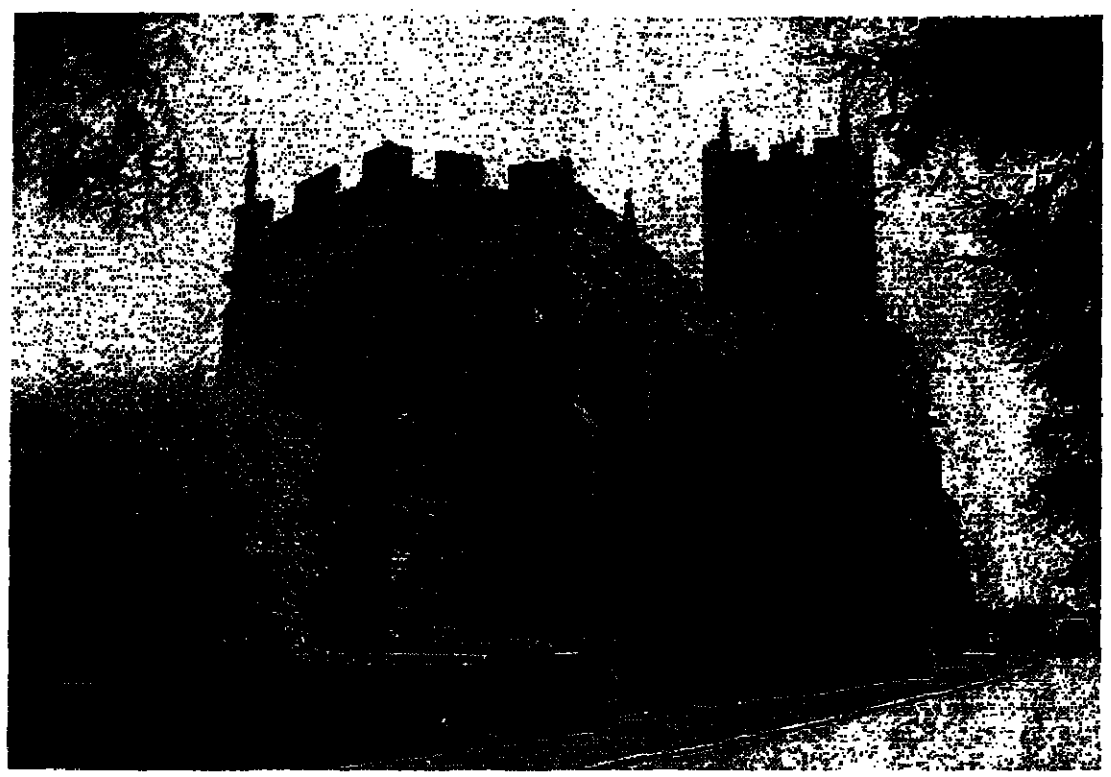
One building in Dorset is a wooden chapel built like a wooden barn. If repaired, it would continue in its present use holding farm machinery. The Unitarian church, in Gosditch Street, Cirencester, Glos, is in such a desperate state that the council has served a repairs notice on the church trustees – the first step to a compulsory purchase order. It could prove a bargain for a sympathetic new owner. But, as with all church and chapel conversions, the price depends on the terms of the planning consent.

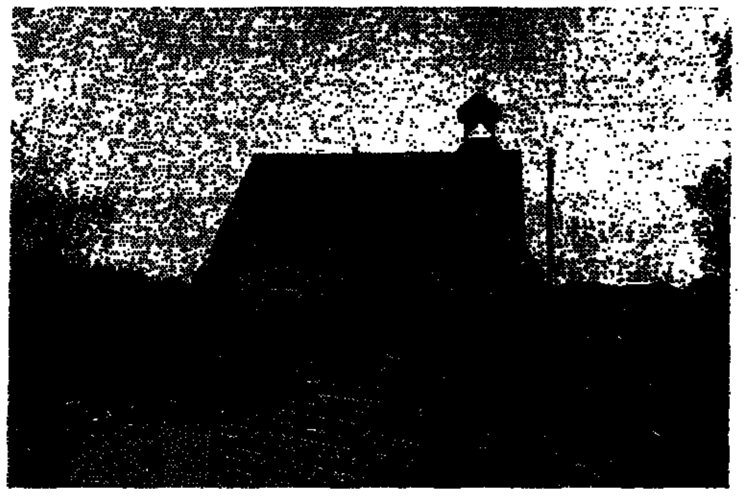
It can be hard work to define a new use, as architect Richard Pedlar of Bristol has found with the United Reformed Church at Blakeney, Glos, on the edge of the Forest of Dean.

This handsome late Georgian building has been on the market for seven years, although he has had it brought inside the local conservation area and its listing has been upgraded, which means closer supervision of changes by English Heritage and the council. This should improve its chances of grant aid.

His hope is that the Youth Hostels Association will take it, but local support is vital for the success of such a scheme.

The structure and function of churches and chapels is what makes them so hard to adapt. Their main job has been as meeting places.


The former All Saints Church, Langport, Somerset


The former St Michael and All Angels, now Old Church House, at Grove, Bucks

The easiest churches to turn into housing are medieval and Georgian, as they are built in the domestic tradition. The most difficult are Victorian – usually great barns of churches with high windows. Yet these – often marooned in the middle of slum clearance sites and new traffic schemes – are the most available.

In Fellows Road, London NW3, Winkworth in St John's Wood is selling a converted four-bedroom chapel, complete with gallery, for £395,000 (down from £475,000).

Its Highgate office offers a splendid flat that makes full use of the stained glass windows in the former United Reformed Church. Priced at £340,000, and now called Cloisters Court, it is on the corner of Cromwell Avenue and Hornsey Lane, London N6.

Former Georgian chapels are for sale at Brockenhurst, Hants (Wood, £140,000), and Blockley, Glos (Jackson-Stops, £260,000, down from £285,000).

Using grants from the government (70 per cent) and the Church Commissioners (30 per cent) the Churches Conservation Trust (formerly the Redundant Churches Fund) takes only a very few redundant churches, and these must be of architectural distinction.

In June it was sheltering 291 churches. The dioceses shelter a few more, as do the Friends of Friendless Churches.

In June 1993 the Historic Chapels Trust was launched. To date it has two chapels and is negotiating for another nine.

English Heritage funds 70 per cent of overheads and eligible repairs to the chapels. The chapels trust must raise the rest privately, but hopes that an agreement with the Roman Catholic Archdiocese of Liverpool for the presbytery and chapel of St Benet, Netherton, Merseyside, will set an example.

The Archdiocese will pay for 30 per cent of the repairs to the group of buildings.

The most unusual former church on the market is the mostly 14th century St Michael and All Angels, now Old Church House, on the Grand Union Canal at Grove, Bucks (Cole Flatt, £280,000).

The owners converted it 20 years ago out of the smallest church in the county. It has two bedrooms and many medieval fittings. Are you ready to live beside a graveyard?

■ *Information: Cluttons, Bath (tel: 0225-469511); Cole Flatt, Tring (0442-890290); Jackson-Stops, Chipping Campden (0386-840224); SAVE Britain's Heritage, 66 Battersea High Street, London SW11 3HX (071-228 3336); Winkworth, Highgate (081-341 1988) and St John's Wood (071-586 7001); John D Wood, Lymington (0590-677233).*

Cadogan's Place

Carden Park up for sale

Receivers have put developer John Broome's project, Carden Park, Cheshire, on the market, at the request of the Bank of Scotland.

Broome had set out to produce a hotel, golf, leisure and sport resort of outstanding quality, spending £23m in the process.

Carden opened in October 1993 in 730 acres. Broome has established an 18-hole irrigated golf course on ground that varies between pine woods, parkland and water meadows. Its complement is a beautifully-built golf academy with a 13-bay driving range.

Carden also offers pheasant shooting on the estate, rough and driven, with rights over a further 1,400 acres of adjacent land. There is also fishing and rallying.

Croquet is the surprise. Broome laid down a 4.5-acre croquet lawn, of world championship standards, which looks big enough to hold 10 games simultaneously.

A vineyard above the croquet lawn produces a thoroughly drinkable Seyval Blanc – the grapes go south to Bletchley for pressing – and there are plans for a swimming pool and exercise centre in the walled kitchen garden.

The garden is some distance from the site of the former "big house", a typical Cheshire hall in black and white timbering that burnt down in 1912. There is a large deer park and Broome's plan was to build a new big house, or an 80-bedroom extension to the hotel, on the site of the old hall.

The hotel is set out in nine blocks around paved yards, and the rooms classed as ambassador (lowest), earl, duke or Prince of Wales (one only). All categories are of unusual comfort and luxury. There are also self-catering cottages.

Situated near Manchester and Liverpool, and not too far from Birmingham, this no-expenses-spared development should be a sure success, especially for the corporate market and for croquet competitions.

Savills (0295-263535) has not indicated a guide price but the sum already spent gives a top limit. It still needs £2m-3m for the exercise centre, a clubhouse for the golf course and a central lounge/bar in the hotel. Covered walkways between the hotel blocks would also be welcome. A full information pack is available to serious potential buyers for £150, plus VAT.

This grand scheme is so nearly complete, and is so well done, that a good profit must lie in store. Not, alas, for Broome, creator of the highly successful Alton Towers amusement park, which now belongs to Pearson, owner of the Financial Times.

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In the US, a superb conceit of a house is on sale in Irvington-on-Hudson, 40 minutes by train from Manhattan. I should love to have it. The octagonal Armour-Stiner house, at 45 West Clinton Avenue, was built in 1872 and has three acres. It combines the style of Beaux Arts Paris at its most extravagant with a big traditional American porch with cast iron railings and elaborate columns and capitals. On top of the dome is an observatory with views of the Hudson river and the Palisades. The price is a negotiable $2.45m (£1.49m). Inquiries to Fern Masters of William B May (914-591-8984).

□ □ □

No 12 Eaton Square, London SW1, is one of the last seven houses in the square in single family use. Well-renovated and rich in marble, granite and wood, this is an important, traditional property.

Its asking price, from Cluttons London Residential (071-584 2044) or De Groot Collis (071-235 8090), is £6.75m, with a ground rent, at present, of £6,000. It has a small patio garden at the back.

□ □ □

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Savills, London 0171 499 8644 Contact: Nick Sweeney or Crispin Holborow

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OUTDOORS

Gardening

Green and pleasant gifts

Robin Lane Fox solves present problems for the whole family with a trip to the nearest garden centre

If in doubt, give a gardener a gadget. If in funds, give yourself four of the five new types of Christmas tree which have pushed prices up to £5 a foot.

If you are canny, however, you will know already that conventional Christmas trees sell for £1.50 a foot deep in the country and that the prices usually drop before the needles on Christmas Eve.

Personally, I would prefer to be given a plant. As presents, plants seem to be socially unacceptable unless they are overheated house-plants which will die by the end of January. Like dogs, hardy plants are not just for Christmas. Unlike dogs, they improve the garden and can be left inside until the weather improves.

Thanks to the better garden centres, plants look tempting in their close season. Like good supermarkets, they show plants which look fresh and worm-free and tempt customers who never go near open country. As a result, you can now give them as presents without leaving earth on the carpet or being unacceptably rustic.

This year, amazingly, you can even give hardy plants in flower. I have had a fascinating time hunting through the centres and their main suppliers, looking for hardy flowerers which are six months out of season.

Here are my top six, aimed at solving common family present problems and priced from big suburban centres.

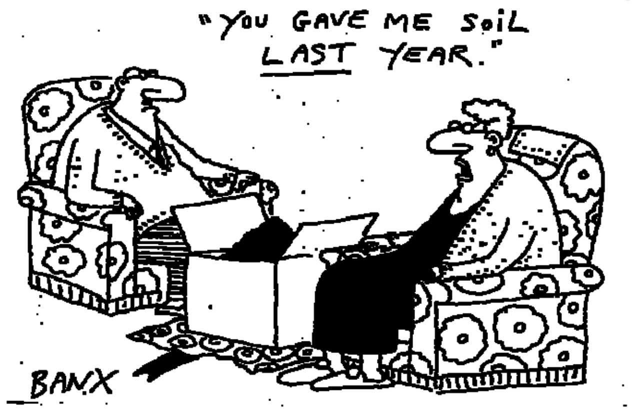
For Nigels and Tanias, who garden in shade in London and spend the summers south of Florence, this year's answer is a camellia. Plants of the hardy varieties are already flowering and I would opt for the double white "Swan Lake" which looks heavenly in a two-litre pot, even at £14.95.

For aunts and uncles on light soils in south-east England, I would capitalise on the mild weather and choose the craziest sight of the year: medium-sized plants of *Ceanothus* "Gloire de Versailles", which have been standing outdoors and flowering freely, four months after their season, at a price of only £8.95.

Remind the Bernards and Catherines that these plants are hardy in most winters, but not all, and that they might be better in a well-lit shed until spring. They look lovely as a foil to old-fashioned roses if you prune them gently in April to keep them at a height of about 5ft.

For Gill and Max, who have just settled in their home for life, choose a long-term winter shrub and look no further than the witch hazels which prefer neutral or acid soil and will improve with age. They, too, have been flowering frantically to attract givers and, for £19.95, you can lose your head with a full-flowering *Hamamelis* "Pallida", whose pale yellow flowers are the prettiest of the usual varieties.

Evergreens are their natural companions and need less of an explanation when non-gardeners unwrap them – anyone can appreciate a good leaf. Some of the bigger centres are stocking the cream-variegated form of *Rhamnus*, a great favourite of mine against a south or west wall.


"YOU GAVE ME SOIL LAST YEAR."
BANX

For Valerie and David, who open their gardens to the public, the best buys on the circuit are fresh plants of the evergreen *Osmanthus heterophyllus* "Variegatus", at £8.95. Garden centres can still surprise us all among the usual range of mallows and buddleias: I have grown a plant of this osmanthus with its mildly prickly evergreen leaves for the past 20 years. It has moved homes with me, but it is still only 3ft high and wide. It is very chic and striking and it has just flowered suddenly for the first time in the mild November.

While planting out the forget-me-nots, I became aware of an exquisite scent which traced back to the lines of tiny white flowers hanging from its branches. It is the thinking person's alternative to yet more squares of clipped green box.

I could never resist a viburnum, especially if I could not remember whether Aunt Judith's soil in Wiltshire was acid or not. The winter varieties are predictably good this week, but you can also find flowers on the spring-flowering *carlesii* this week or on the bigger and stronger "Park Farm Hybrid".

When there are still flowers all over the place I have less time for those centres which are trying to sell callicarpas with violet-mauve fruits by calling them "Beauty Berries" and pricing them at £24.95 each. The small print tells you that you need a group of three in order to be sure of a proper crop.

Instead, I would go for a yellow-berried cotoneaster which is excellent up any great-uncle Edward's drainpipe, even in semi-shade. "Expery" or "Rothschild" are the best varieties. You can still find plants with yellow berries untouched at "only" £8.95.

What about those difficult people, young couples who have nothing but principles and mean, for the moment, to stay together for years, or open-handed people who have so much more money than you and may well try to humiliate you by dishing out a crate of champagne?

Outflank the young Simons and Kirstys by giving them the nucleus of their fruitcage for the future. This year, the blackcurrant bushes are looking eminently unwrappable because they are thick with buds, though still without leaves.

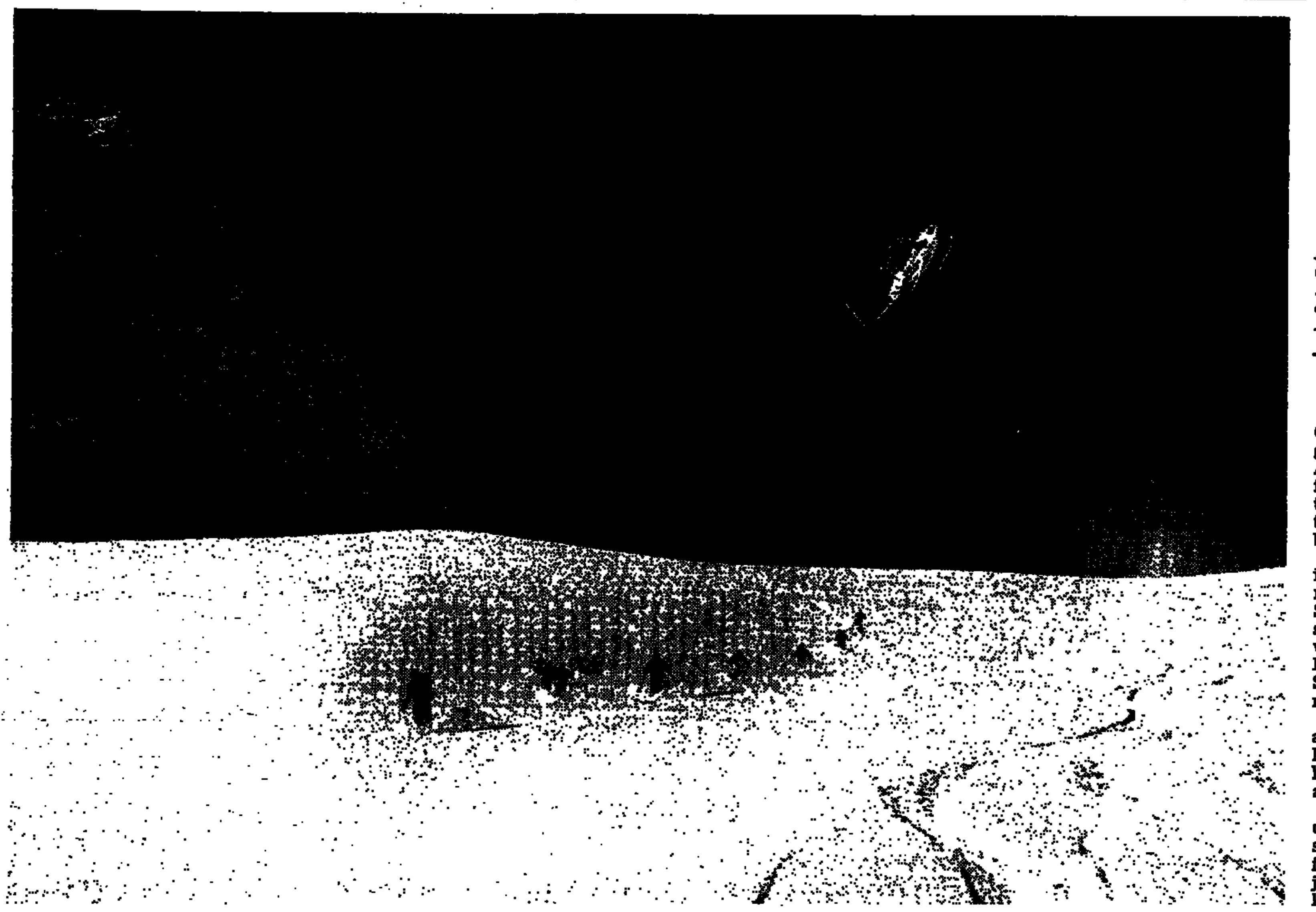
"Baldwin" is a sound, later-cropping variety which will be at its best when the superstores have moved on through the calendar and are trying to sell you loganberries instead.

The champagne Charlies need more generous treatment. Do not be stampeded into buying the neatly-clipped standard of evergreen privet or bay at £70 because it looks fancy: you could grow one yourself for very much less and they look better in pairs, increasing the bill. Instead, go for unarguable quality which even the idlest garden-watcher will know how to pronounce.

This week, there are super magnolias, looking large, clean and advanced in bud. Big bushes of *Magnolia alba superba* range from £14.95 to £49 for extravagant specimens, 4ft high and wide. The *rustica rubra* form of this variety can be found at even greater sizes, up to £70. My personal choice would have to be *Magnolia loebneri* "Leonard Messel", root-wrapped in hessian and about 4ft high at a cool £69, complete with dozens of visible buds.

These large magnolias will transplant easily into gardens so long as you water them over a dry spring and early summer. After five years, smaller sensible transplants will probably have overtaken them, but Christmas is not a time for being sensible.

If you are wondering how to measure up to a millionaire's fire-power, enlist a magnolia's flower-power and be fairly sure that she will not know what it really costs.



Fat skis mean Average Skier can become Super Skier in the time it takes to don a powder suit in a telephone box

Skishoot

Skiing

Fat skis send you flying

Arnie Wilson on how a new type of ski allows almost anyone to go heli-skiing

Painting by numbers may not have produced many Rembrandts but it gives pleasure to many would-be artists who might otherwise have difficulty painting a shed.

And Bach might be turning in his grave at modern keyboards that play themselves, but they bring the excitement of making music to uninitiated.

And now we have "fat boys", which allow mediocre skiers to join the hitherto elite and become heli-skiers – skiers who ride like Vietnam "grunts" to virgin snow in a clattering helicopter, there to ski in bottomless powder where few have skied before.

So how, in the time it takes to don a powder suit in a telephone box, can Average Skier become Super Skier?

Fat skis are the answer. They have sparked the off-piste revolution and this winter, have taken a grip on heli-skiing.

The "fat" ski was developed by ski manufacturer Atomic, based on a prototype designed by a former Austrian train driver who had the idea of sawing a snowboard in half. The original, the Atomic Powder Plus, was quickly imitated by virtually all the main ski manufacturers.

The usual length is either 165cms or 185cms and because the ski is almost twice as wide as a conventional ski it floats on the surface of powder rather than burrowing deeply into it. They can bought or rented in most main ski areas, but not in huge numbers as they are only really designed for off-piste use.

So today, middle-aged intermediates who would have had a terrible struggle to ski powder can now sign up for a week's helicopter skiing knowing that the fat skis will be their passport to success. The only barrier to heli-skiing now is cash, not skill.

But the question remains: is it right and proper that the rank and file should be allowed to use this new equipment to penetrate the mystique of the true artist or athlete?

Inevitably, those with a passion for the real thing might resent "skills" acquired so cheaply. Those skilful enough to heli-ski on ordinary skis tend to resent the fact that their precious world – not to mention their sacred powder – is being invaded by lesser beings.

Helicopter skiing is frowned upon in many parts of Europe, where environmentalists have successfully managed to have it banned in most of Austria and France. This leaves Switzerland as Europe's heli-skiing mecca, with Italy another option.

The French get round the ban by transporting clients across the border into Italy, where heli-skiing is permitted, and flying them to peaks from which they can ski either in Italy or back into France. Helicopters are allowed to collect skiers on French terrain at the end of the day from the bottom of the mountain but not to take them to the top.

Grindelwald offers some of the best heli-skiing in the world, with huge 7,000ft vertical descents from such spots as Sustenalp and Rosenegg just across the Eiger/Mönch/Jungfrau massif.

There is good heli-skiing in New Zealand, the Himalayas and parts of what was the Soviet Union, but North America – especially Canada – with its vast wilderness areas, is where the sport of heli-skiing has become a fully-fledged industry.

Resorts such as Sun Valley, Jackson Hole, Telluride, Whistler and Panorama offer daily heli-ski outings, but if you want the "total experience" you should look at the option of spending a whole week in a heli-skiing lodge in British Columbia where you live, breathe and dream helicopter skiing. It is not cheap, but it is undoubtedly the best.

Canadian Mountain Holidays (CMH) runs lodges in nine areas, including the celebrated Bugaboos, Cariboos, and Monashees.

If you are reluctant to be "incarcerated" – however cosily and luxuriously – in a wilderness lodge for a week, you have the option of basing yourself in town: CMH offers excellent heli-skiing out of Revelstoke.

Its only serious rival is Mike Wiegele, whose operation is based in just one location at Blue River but covers an enormous amount of terrain. While CMH is the brand leader, both organisations are extremely professional and the overall experience is similar. Fat skis now dominate Canadian heli-skiing. Even most of the guides use them.

Skilled powder skiers determined not to pander to such toys can use conventional skis, but the fat skis make it so much easier and less energetic that they can find themselves being left behind by the fat brigade.

■ *CMH: Contact-Powder Skiing in North America, 61 Doneraile St, London SW6 6EW. Tel: 071-736 8191*

■ *Mike Wiegele Helicopter Skiing: Ski Scott Dunn, Fovant Mews, 12a Noyna Road, London SW17 7PH. Tel: 081-767 0202; or Fresh Tracks, McMillan House, Cheam Common Rd, Worcester Park, Surrey KT4. Tel: 081-875 9818*

■ *Heli-skiing in Grindelwald: Powder Byrne, 50 Lombard Street, London SW11 3SU. Tel: 071-223 0601*

FT Ski Expedition / **Arnie Wilson**

As Swiss as edelweiss

Arnie Wilson and Lucy Dicker are trying to ski every day of 1994 on a round-the-world expedition. They are currently in New Mexico.

When we pulled back the curtains of our luxurious apartment at the Chalet Montesano, we were greeted with a picture-postcard Alpine scene. As the snowflakes cascaded among the fir trees, a large Swiss flag fluttered gently from the wooden balcony.

In a country which loves to imitate Europe, it doesn't get much more Swiss than Taos Ski Valley, New Mexico – small village, big skiing. Taos was, after all, invented by Ernie Blake, a German-born Swiss, and Swiss themes dominate the resort.

Two of the principal hotels are the St Bernard and the Edelweiss. There is a Kandahar Lodge and Swiss flags abound.

The Chalet Montesano is owned by Victor Froehlich, a ski instructor and pastry chef from Davos and once a Swiss junior international goalkeeper. It is named after the chalet in Gstaad where his wife Karin went to finishing school. There is even a sign saying: "Achtung – Private Parking."

Lew Wallace, governor of New Mexico between 1878 and 1881 and author of Ben-Hur, complained that "every calculation based on experience elsewhere fails in New Mexico". Not as cruel, perhaps, as: "Poor old New Mexico – so far from heaven, and so close to Texas."

Many skiers these days like to think Taos *is* heaven. Several runs cut through steep and picturesque glades reflecting the Swiss/German connection: Edelweiss Glade, Tell Glade, Winkelried, St Bernard and even Sir Arnold Lunn.

And there are other, more dramatic Teutonic connections. Blake worked for Allied Intelligence during the second world war, and grilled one or two big fish such as Goering. To honour some of those who tried to rid the world of Hitler, he named the best runs in Taos after them. Hence Tresckow, Fabian, Oster and Staufenberg. Churchill is not forgotten, either. Both Winston and Spencer's Glade are tough, expert runs.

We thought we should stick to Taos's legendary tough runs, because we were being watched. The whole resort knew we were there because Chris Stagg, vice president of marketing and Blake's son-in-law, had put our names on the day's lift ticket. All 500 of the skiers in Taos that day had "Welcome Arnie and Lucy, Ski The World" written on their lift tickets. (Five hundred is not bad for early December in Taos.)

> 'Poor New Mexico – so far from heaven, so close to Texas.' Today, many skiers think Taos *is* heaven

Froehlich, who was one of the original instructors, said that when Blake started the ski area in 1955, you could squeeze the entire ski school and its clients round one table for dinner at the old Hondo Lodge.

Much of the grooming was done by hand, with shovels. "There were only two radios in those days," he said. "Ernie had one and the ski patrol had the other."

Sometimes Blake told the then teenage Karin Froehlich to "go groom Porcupine".

Karin, just about the only woman in the resort in the early days, continued to make an impression on her boss by living in a freezing old trailer which she called the "ice box", and, determined to be independent, refused to eat the hot meals Blake organised for his staff.

Said Victor: "I thought this would be a good woman to get to know better."

Europe's fishing fleets prepare for war

Fish supplies are running out, but the authorities seem powerless to act, writes **Michael Wigan**

The sea has always been a place of high feelings. It is becoming more so as fishing nations worldwide try to extend, or consolidate, their fishing zones. Nowhere are the issues as complex, fraught and politicised as in the EU waters, under pressure from excess fish-catching capacity, lower stocks, and the conflicting ambitions of member states, particularly Spain as well as non-member Norway.

Protectionism has never been more old-fashioned than when Spanish tuna fishermen defending their traditional, long-line fishery in the Bay of Biscay brandished axes at the British arrivistes using deadlier modern drift-nets.

Britain sent its own fishery protection service which proceeded to board and inspect British, not Spanish, vessels.

The tuna furore took place outside the EU 200-mile fisheries zone, on the high seas. Here the international law of the sea holds sway, theoretically concerned only with piracy, slave-trading and the movement of illegal narcotics.

Flag states may board their own nation's vessels anywhere. But in practice, within the EU fisheries zone, each member state's fishery protection force operates only in national waters. Spanish inspectors could, in theory, appear off Scottish coasts to monitor Spanish fishermen but in practice they do not. It is believed by other states' fishermen that Spanish inspectors rarely police Spanish vessel.

Policing EU waters state by state, with fishery protection forces from different maritime cultures, with differing motivations and muscle, is a disaster. Each nation's fishermen accuses its own fishery officers of being tougher than in other member states. British fishermen feel they are singled out by their own inspectors for specially rigorous treatment, a claim denied by protection officers themselves. Even so, the simplicity of dealing with own-nation boats, UK registered, with UK addresses, is much more appealing than dealing with foreign boats whose crews may not speak any English.

Even in British territorial waters, where England and Wales can call on nine Royal Navy vessels and three aircraft, and Scotland on seven boats and two aircraft, fishery protection is only a partial affair. "We cannot search every bit of the sea, but the fishermen know there is a presence out there," a ministry spokesman said. Britain has 33,000 sq miles of water to police, but whereas the inspectorate has 170 employees, Spain, with the largest EU fleet, had, until a recent increase, only 17 personnel.

Not only are national inspectorates a poor example of subsidiarity in action, but the system is riddled with loopholes. For political reasons a proposal from the European Commission to land catches in specified local ports, where they could be more readily inspected, was turned down by the council of ministers. Catches by EU vessels are routinely transferred at sea into the holds of non-EU boats – thereby evading inspection and recording. The most obvious example of catches leaving the European fish-pond without proper recording is the klondykers. These factory ships are usually Polish or Russian owned. They are often in poor physical condition. They lie off Lerwick, Peterhead, Fraserburgh and Ullapool, lit up at night like gently rocking cities, buying herring and mackerel and paying in cash.

> How palatable would it be for the industry to wither away as a result of its own abuses?

The Common Fisheries Policy, formed in 1972 just before Britain joined the EC, and which only produced its first conservation measures in 1983, is abused on a giant scale. The "black fish" catch is thought to have reached 50 per cent of the legitimate one and it has been estimated by a former head of EC fisheries conservation that of the 2.5m fishing trips made annually in EU waters, about 250,000 involve infringements. These include catching fish surplus to quota, fish for which the boats have no quota, undersized fish (pin hake "as small as a Biro" were recently landed in northern Spain), or fish from waters with exhausted quotas.

Such excesses need some explanation. There is one. It is simply that EU member states have knowingly shrunk from implementing the recommended conservation measures because of their political implications. There is still public sympathy for fishermen, seen as hardy and independent souls whose efforts play a critical part in the national diet. Such sympathy may be misplaced. Scientists say catches that are now dwindling would have been on the increase had their recommendations been accepted.

One of the most sensitive issues is the concept of a pan-European fishery inspectorate. Nominally this exists in the form of an inspectorate of the inspectors. This small force evaluates enforcement; it is advisory; it handles complaints. But it lacks any vessels and its members must travel as passengers on national fishery protection boats. These surveillance programmes are often announced in advance, meaning the inspectorate is unlikely to be involved in any bruising scenes.

Today's fishermen feel overwhelmed by a tightening net of regulations and restrictions. They are hemmed round by limits on days at sea, area restrictions, quotas, and most recently, intentions to limit fishing effort.

"All out rebellion is in the air" as a recent Fishing News leader put it.

Against this picture of unrest among the last of the hunter-gatherers, fish consumption is rocketing, while improved fishing methods are harvesting the shrinking resource more efficiently. An effective pan-European fishery inspectorate may seem inconceivable given the nationalism and widely differing fishing status and practices of member states. But before fudging the issues again, politicians should consider how palatable it would be for the fishing industry in these most fecund waters to wither away as a result of its own abuses of the environment.

For the sea's boundaries are an abstract concept – an abstraction that is coming to mean much. It stretches the concept of a non-federalist EU to the limit. For if EU waters are to replace national ones, as they are treaty-bound to do, the logical consequence is for EU inspectors to replace local ones too.

■ The telephone number for Dourado Sports Fishing, given at the end of an article by Tom Fort on fishing in Brazil, published on October 29, should have read: 081-563 1988, fax: 081-563 2230.

Rugby Union / **Derek Wyatt**

A glimpse of the future

The first half of the rugby season has given us a taste of how the game will work once it becomes a non-stop year-round international sport. Over the past 10 weeks, the Springboks have been in Wales, Scotland and Ireland and Romania and Canada at Twickenham. The international games followed each other rapidly.

After next year's Rugby World Cup in South Africa only three countries will definitely pre-qualify for the 1999 finals – the two finalists and the winner of the third place play off (a fourth may also pre-qualify if the host is not one of the first three nations).

England may well pre-qualify as hosts but there is a good chance that Scotland, Wales, Ireland and France will have to pre-qualify. The increase in matches will stretch the international rugby calendar throughout a full season.

One immediate result of this autumn's proliferation of internationals was to marginalise non-international matches, namely the Varsity Match.

The internationals provided some pointers to world cup form. The Springboks are nearly a great side. Against Scotland they were magisterial. They were more fortunate the following week against a fighting Welsh side who have found their pride and commitment again.

The Welsh had only one game plan and it did not involve using their three-quarters. Instead Neil Jenkins, at fly half, kept the ball in front of his forwards in the hope that the Springboks would give away penalties. It nearly worked.

At least, in Derwyn Jones, the 6ft 10in lock, Wales now know they can win line-out ball at will. It will be interesting to see if Alan Davies, the Welsh coach, changes his one dimensional tactics for the forthcoming Five Nations Championship.

For the South Africans, the Barbarian fixture in Dublin, was one game too many. They graciously made five changes to their test team to give all their squad the chance to play and thus revealed that they do not yet have a squad that will win the world cup.

Few would disagree that in three of the five critical positions – at full-back hooker and No 8 – they have, the best players in the world: André Joubert, Ulrich Schmidt and Rudulf Straeuli. But at both half back positions the jury is out. True, Joost van der Westhuizen, the scrum half, ducked and dived to great effect against Scotland but his passing from the base of the scrum was woeful and this meant that his fly half, Hendrik Le Roux, was rarely ever able to impose his personality on his side's tactics.

Almost by error, the South Africans found a game plan based on their emerging back row of Francois Pienaar (an inspirational captain and a public relations dream), Ruben Kruger (the best player on tour) and Straeuli. By their athleticism and presence this trio took games, shook them hard and seized the initiative time and time again.

The Springboks looked tired after the Welsh game. The time has come to move the Barbarians game and follow the example of cricket. Cricket tours start with a soft opener against the Duchess of Norfolk's XI at Arundel. Visiting rugby teams should start with the Barbarian fixture and the gate should go to charity.

England easily, if somewhat clumsily, defeated a poor Romania XV and then last week turned the screw against a battling Canadian side. The team is beginning to settle – Simon Shaw, the uncapped Bristol lock, needs a few games in the Five Nations' championships to bed him down ready for the World Cup; Ian Hunter needs to be rehabilitated on the right wing and Mike Catt will one day prove a brilliant deputy for Rob Andrew.

In the 1991 Rugby World Cup side, England finally decided that what mattered most on the right wing was that the player would give no tries away and be safe under the high ball. They chose a centre, Simon Halliday to play on the wing. The same thought must be occupying Jack Rowell, the current England coach.

He knows that Tony Underwood, who played on the right against Canada, is not up to international rugby but he is unsure – rare for him – of the solution. I suspect Philip de Glanville and Mike Catt will be tried out at some time over the next few months.

England have developed an ability to raise their game for big matches. Their 15-a-side approach is how the game is played in New Zealand and Australia and one effect is that the scorelines are much higher. Running rugby involves a greater risk but is much more fun to play and to watch.

The Varsity Match was a classic. Cambridge emerged from the tunnel on to the Twickenham turf slowly and deliberately reminiscent of the Scots under David Sole four years ago at Murrayfield when the foe was England and a Grand Slam was at stake. Cambridge played a wonderful game and deserved their win.

Naturally, it hurt, being an Oxford Blue, to see Oxford lose. At one time in the second half they looked as though they were going to concede 40 points but rallied and nearly won the match.

Cambridge used a tactic I had not seen before. At the maul, their forwards did not pile in blindly hoping that somehow sheer strength would see them through. They kept popping the ball up to the next player coming in. As a consequence they ripped the Oxford defence to shreds. It was compelling to watch.

Cambridge showed the northern hemisphere countries, who are fed up with arguing the rights and wrongs of the turn-over law, a way to use it more constructively.

The up-coming Five Nations Championship should have been moved to April so the participants could have used it as the final stage of their build up. As it is, the championships serve only to interrupt their preparations.

Scotland, unless they can drop Gavin Hastings, do not have a hope and will win the wooden spoon. Ireland and Wales still have to demonstrate that they understand the word variety. England and France again look as though they will fight it out. England have so often been the favourites these past six years, but have won only twice. The probability is that France will emerge as the Five Nations Cup holders for 1995.

Run with the ball: Rob Andrew carries the ball for England against Canada

Motoring

Chancellor should come clean

Stuart Marshall complains that Kenneth Clarke has ignored the evidence on diesel

The anti-diesel car lobby still has the ear of Britain's chancellor of the exchequer, Kenneth Clarke. That much is obvious from his latest Budget, which took away the tiny differential in excise duty which, until nearly three weeks ago, had favoured diesel marginally over unleaded petrol.

Now, the duty rates are the same. For every litre of unleaded or diesel bought by motorists at an average pump price of 54 pence, 30.44p goes into the chancellor's pot.

Britain is Europe's odd man out. Everywhere else, diesel is cheaper than unleaded petrol – sometimes spectacularly so. Why?

In his Budget speech, Clarke said a differential between petrol and diesel "is clearly becoming very difficult to justify in economic, health or in environmental terms". Clearly to whom?

Obviously, to his advisers, who strike me as perverse and contradictory. But not at all clearly to expert opinion in the motor industry – including independent (and thus unbiased) sources like Ricardo Consultants, a British automotive think-tank of world renown.

Diesel cars produce much less carbon dioxide than petrol vehicles because they burn less fuel – and not just carbon dioxide. A study Ricardo carried out recently for Mercedes-Benz revealed that a car diesel engine without a catalyser produced fewer air toxics (harmful emissions) than a petrol engine with an elaborate catalyser.

Add a simple kind of catalyser – which many diesel cars now have – and the emissions were twice as clean as those from a catalyser-equipped petrol engine.

There is a lot more where this came from. Petrol cars with the most elaborate catalysers emit vastly more benzine – a known carcinogen – than a non-catalysed diesel, the fuel of which is almost benzine-free.

In urban driving conditions, diesels reduce fuel consumption (to which carbon dioxide emissions are linked directly) by up to 40 per cent. And although research into cleaning the emissions from diesel engines began far later than it did for petrol power plants, much has been achieved and further large gains are in prospect.

With diesels, the one fly in the ointment is the emission of particulates – that is, smoke. But petrol cars also can emit up to 0.02gm of particulates a kilometre – "not much less than can be achieved with advanced prototype diesel engines", says Ricardo.

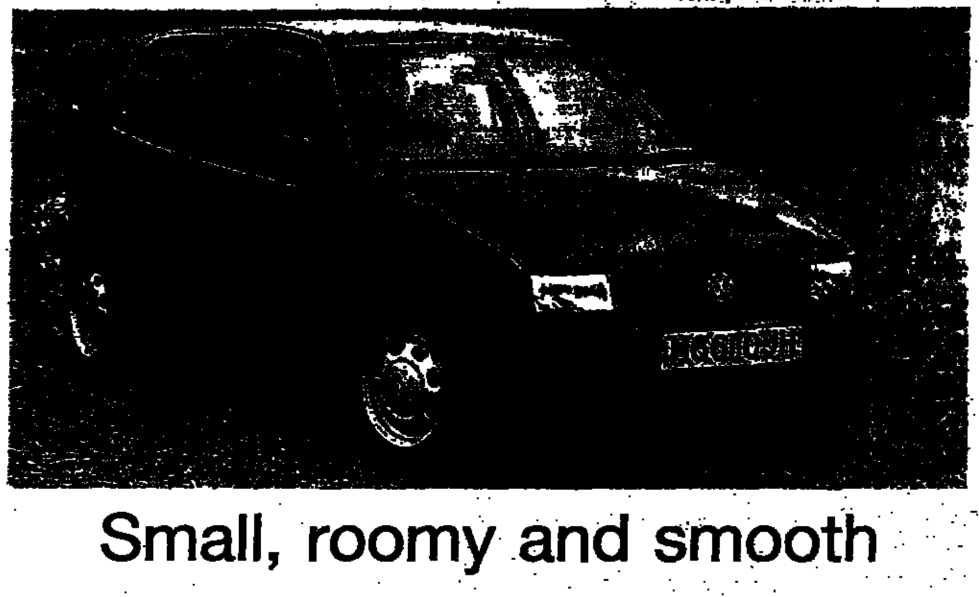
Cheaper fuel, though, is only the icing on the cake for diesels. They use so much less of it that they still make economic sense, especially for high-mileage drivers and those who do a lot of stop-go driving in traffic.

My present car, a Citroën Xantia turbo-diesel manual, averages 39.8mpg (7.09 l/100km). A Citroën XM turbo-diesel automatic gave me 34.05mpg (8.29 l/100km), and a Mercedes-Benz 190D 2.5 automatic produced 36.14mpg (7.82 l/100km).

These are realistic figures over several years' motoring, with plenty of the short trips and cold starts that ruin a petrol car's economy. On motorways, I keep up with the pack.

In spite of the government's anti-diesel car stance, their market share has grown steadily and they account for around 22 per cent of all British registrations. I cannot see this changing. The dearer fuel becomes – and we all know that excise duty can only go up – the greater the diesel car's appeal.

Pump prices of diesel vary more than those of unleaded. Within 20 miles of my home in Kent, I have seen 7p a litre difference at diesel pumps on the same day. And do not pass a supermarket filling station if your tank is half-empty. They are usually so much cheaper that they can even be worth a detour.



Small, roomy and smooth

The new Volkswagen Polo 1.3 CL (pictured) was so refined, roomy and smooth-riding that it came as a surprise to turn round in my seat and see how small it really was – and to discover how easily it could be reversed up my awkwardly curving drive.

Head room generous – there is no standard sun-roof to get in the way. Clutch and five-speed gearbox are up to the best Japanese standards of silkiness, and the 1.3-litre engine is eager to spin sweetly or pull hard at low revolutions.

In town, the Polo CL's compactness, power steering and good visibility make parking easy. At motorway speeds, it did not sound unduly busy and, on winding roads, its handling was a delight. Reckon on averaging 43mpg (6.6 l/100km), or better than 400 miles (645km) a tankful.

VW's prices are much keener than they were. The 1.3 CL three-door, with driver's air-bag and electric windows, costs a modest £8,700. Prices start at £6,950 for the one-litre Polo L, on which power steering is £480 extra, and go up to £11,750 for the five-door GLX 1.6 with ABS brakes, alloy wheels and manual sunroof.

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Continued from Page I

The secret life of soaps

is an example of how the Dickensian methods still work in an updated 1990 context. Like the serial novel, *The Archers*' plots are planned months or years in advance, but each episode is produced at a frenetic pace. There are eight writers – those who cut their teeth on the series include best-selling novelist Susan Hill – and after the monthly script meeting, they each complete the week's worth of scripts in a fortnight. Twenty episodes are then recorded in six days. Topical events are written in, during a flurry of re-recording, on the day of transmission.

"Charles Dickens was my teacher," says Julia Smith, the producer who devised *EastEnders*. "He had the gift of combining reality with fairy stories. I don't think we are doing much that Dickens had not done before."

That mix of escapism and social authenticity lies at the core of British soap opera. Soaps tug the heartstrings because they invite everyday involvement with another family or community whose intimacies and indiscretions become, like those of the royal family, public secrets.

Hedli Nicklaus, who plays Kathy Perks in the series and runs Archers Addicts, the fan club whose members include Norma Major and Adam Faith, says soap works because "it lives in people's heads, and when it's in your head, it becomes part of your own world picture".

In extreme cases, viewers identify so completely with the soap world that they send characters wedding presents or apply for jobs at Brookfield Farm or the Queen Vic pub. (Traditionally readers of fiction have done the same: the Royal Mail continues to receive letters addressed to Sherlock Holmes, Baker Street.)

But this empathy is grounded in the acute realism with which characters and settings are portrayed. Divorce, racism, cancer scares, children running away from home, dodgy business deals – these are daily events in soap. Behind them is a strong educational and moral impetus, sometimes even a pioneering social conscience.

The Archers began in 1951 as a family drama aimed at teaching farmers how to increase food production during post-war shortages. Now *Brookside*, says Philip Reevel, head of corporate affairs at Merseyside Television, confronts "a question of how television can accommodate both entertainment and real social issues".

Brookside has recently featured the murder of a wife-beating father, a lesbian affair, and the birth of a Down's syndrome baby. Reevel called the programmes methods "hyper-realistic": a high concentration of controversial dramatic incidents within a small community. The key to soap success, he suggests, is "the programme makers' ability to anticipate popular tastes and concerns".

Impeccable social research is the backbone of soap opera. The names of many *EastEnders* characters were taken from cemeteries in east London. The armed robbery in *The Archers* was inspired by a conversation between the producer Vanessa Whitburn and police officers worried about the rise in violent crime in rural areas. *The Archers* employs not only an agricultural adviser but a permanent consultant obstetrician. The story of Shula's infertility treatment rang so true that the BBC was overwhelmed with letters from empathising listeners.

A chief pleasure of British soap comes from empathy – from recognising oneself as the drama holds "the mirror up to nature". It is emphasised by a comparison with US soaps, which offer pure fantasy – mega-rich Dallas oil magnates, *Dynasty*'s sumptuous mansion "Fioli" – and invite not identification or social debate but the *schadenfreude* of "let's watch the rich screw up".

> The names of many *EastEnders* characters were taken from east London cemeteries

British soaps are by contrast highly moralistic. Tony Warren, who invented *Coronation Street* in 1960, summed up the series as "a fascinating freemasonry, a volume of unwritten rules. These are the driving forces behind a working-class street in the north of England. *Coronation Street* sets out to explore these values and in doing so, to entertain."

Today, *Brookside* debates the vices of capitalist tax-evaders versus the jobless on the fiddle. *EastEnders* is currently running an explosive tale of sexual ethics, about the break-up of Sharon and Grant Mitchell's marriage after she slept with his brother Phil.

Commuting between the intensive care ward, where Phil lay after Grant tried to murder him, and the pub, each character has offered a comment on the morality of cheating, revenge and forgiveness. Barbara Windsor made her debut in the programme, as the feuding men's mother, with a homily on family values. The story is as primitively compelling as Cain and Abel.

One reason soap operas are so dramatically powerful is the clever adaptation of archetypes – *EastEnders*' Don Juan villain Dirty Den, *The Archers* village idiot Eddie Grundy, reformed superbitch Elizabeth Archer – into topical British settings. They build age-old dramatic conflicts in a modern context.

The Archer sisters (Shula and Elizabeth) at different times involved with the same man, for example, recall Elizabeth and Lydia Bennett in *Pride and Prejudice*; but their recent dilemmas have been abortion, IVF treatment, and whether one might adopt the illegitimate child of the other.

"The Archers is living drama not a museum piece," says Whitburn who, since joining the series from *Brookside* two years ago, has catapulted Ambridge up to date. Nostalgia and continuity, however, are also crucial to the appeal: issues, characters, move with the times, but soap operas always retain the structure and milieu of opening episodes.

The Archers (1951) still follows the farming calendar. *Coronation Street* (1960) is a dream of working-class solidarity in back-to-back terraces. The new housing estate at *Brookside* (1982) and the market stalls and entrepreneurial car dealers and café owners of *EastEnders* (1985) are obvious products of the Thatcherite 1980s.

Where is the soap opera of the 1990s? *Eldorado* (1992) flopped, although in many ways it spoke for the decade – jet-setting lifestyles, international profile, a group of people who happened to have landed in the same place rather than growing up together in a traditional, outdated community. The reasons for its failure are still discussed – no social roots, and thus inauthentic characters? No clear niche market? Given insufficient time to prove itself? But the BBC is unlikely to try again.

Soap operas are potentially lucrative. Their name comes from their original association with soap manufacturers, such as Procter and Gamble, which sponsored radio serials for housewives in the 1920s to advertise their products. They continue to be an advertisers' dream. *Brookside* is Channel 4's best-rated show. For a satellite company such as Sky One, a compelling soap opera would be manna from heaven.

Will they endure as art? It is an open question.

Unlike the popular form of earlier periods such as Dickens's novels and Shakespeare's tragedies, soap operas are by nature ephemeral. They are the easy viewing option of our lazy undemanding television age. Each episode of *EastEnders*, for example, is too simple and banal to be watched a second or third time, in the way that we can re-read a Dickens novel and discover new pleasures and meanings.

On the other hand, soap operas speak of important social and emotional concern to a mass audience; despite their vulgarities and their formulaic presentation, they deliver some of the moral sustenance that Dickens offered in the 19th century and Shakespeare in the 17th.

On the Radio 4 programme *Desert Island Discs* last month, Sir George Christie, chairman of Glyndebourne, selected many classical operas, and then chose as his luxury a complete recording of *The Archers* from 1951 until today.

If his stash were to be found in 100 years, it is unlikely that *The Archers* would be regarded as a successor to Mozart or Verdi, but it would provide a fascinating and unmatchable panorama of Britain in the second half of the 20th century.

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BOOKS

Poetry

Human kind richly defined

Douglas Dunn reviews the latest crop of contemporary verse

Thirty-odd years ago – if you are old enough – did you ever think you would read a poem by Allen Ginsberg, beginning "as I cross my kitchen floor the thought of Death returns"? I bet you didn't. Did you foretell that in his penitent old age the arch-Beat would write an anti-smoking song? Or that he would write poems in which he asked how he got himself into this mess, "this workaholic showbiz meditation market"? Is this what the Beats come to – remorse and contrition? Lucky Kerouac, to have died before his talent and success drove him to give up fags and booze. Ginsberg's recent poetry (*Cosmopolitan Greetings*, Penguin, £7.99) subtracts from his prestige as an icon of rhapsody and excess.

While a lot of contemporary poetry would benefit from even a few ounces of Ginsberg's earlier fire and energy, that could not be said of Douglas Oliver's *Penniless Poetics* (Bloodaxe Books, £7.95). For about 50 pages Oliver drives on with a big, baggy stanza which is a handy instrument in a poem of sustained narrative rollick and invention. What the poem says might be a bit hard to take at times, which could be the same as saying that living up to its brilliant first line – "all politics the same crux: to define human kind richly" – is too much a matter of the reader's conviction and not the author's.

Oliver's poem is up-tempo and generously inventive, and much the same has to be said for Iain Crichton Smith's poetry. His range includes almost everything between footnotes and the "marvellous spendthrift universe". He is never sexily post-modernist, though, and much of his power stems from short passages and even individual phrases. His poetry aspires to a timeless lyricism:

"The moon shone like a round shield/ In a window between two countries/ Like ice that has grown over unowned land."

More than many poets, Smith seems to write straight from dreams, which might be why his work carries a look of spontaneity. *Ends & Beginnings* (Carcanet Press, £8.95) shows a poet now in his 60s writing as if with a new lease of life. It includes some of his best work.

A more exact, engraved rather than brushed poetry, confirms just what an interesting poet Pauline Stainer is (*The Ice-Pilot Speaks*, Bloodaxe Books, £6.95) – as well as setting up a contrast with the immediacy of Ginsberg and Oliver, or Crichton Smith's less disciplined lyricism. Her best gift is an artist's discretion in coaxing what she is saying onto the page (see, for instance, "Between Stations" and "A Study for the Badminton Game").

Today's version of the courtly in poetry is a self-aware reliance on art, music and other literature, and there is a lot of that in her work. The originality of her perceptions prevents its deliberately "cultural" climate from becoming precious.

Whatever Geoff Hattersley has to worry about, it is not preciosity. Some poems in *Don't Worry* (Bloodaxe Books £7.95), though, give an impression of slightness, cleverness, or embarrassment in case there is a danger of being too serious. There is real gusto in his work as well as a manic but controlled humour. He can evoke odd or unnerving states of mind, enigmas, private terrors, domestic emergencies, with techniques or ways of looking at things that seem devised to give the familiar a good shake. "Time passes slowly here in south Yorkshire. The dustbinmen came yesterday ... My cough gets on my nerves but at least I own it." Cheeky, imaginative, cerebral, witty – it is poetry with a lot to say for itself.

"Poet Laureate Ritual Bath Murder" in Douglas Houston's new book, *The Hunters in the Snow* (Bloodaxe Books, £6.95), is as certain a piece of literary satire as I have come across in a while – although the object of the satire is how Ted Hughes is mythologised by his less intelligent admirers. Houston's characteristic poems tend to be chunkier, more serious and sorrowful although sharpened by quirky humour and observations. A deft technical command, confident imagery – "Night falling like a weightless slab of slate" – and an agreeable first person singular, make this an enjoyable collection. Less showily formal than others, "Encounter" and "Taking a Break" suggest that simplicity is the most poetic wile of all.

Poems of Gerard Woodward's such as "After the Deafening", "A Nocturnal Breakfast" and "Tomatoes" jolt with an almost disturbing originality in *After the Deafening* (Chatto & Windus, £7.99). "Making Strange" is a process at once mysterious and recognisable. You feel that you have been shown something new, or that the previously familiar really has been re-examined with a fresh eye and intellect.

Not all his poems work anything like as well, but when they do the result feels like a sting to the nervous system.

"Eyes flashed,/Glistened:/Everyone talked:/Few listened": Joseph Moncure March's lost classic poem "The Wild Party" once inspired William Burroughs and has now been reprinted by Picador (£9.99, 112 pages). Pulitzer prize-winning artist Art Spiegelman has illustrated this new edition of the 1928 jazz age tragedy.

Companions for the sporting life

Peter Berlin reviews the sports books of the year

Until very recently the majority of sports have been ill-served by publishers. The exceptions were cricket and baseball, supposedly the more meditative and intellectual sports. Books on these were permitted literary ambitions. Thomas Boswell probably did not have his tongue entirely in his cheek when he called a collection of baseball essays: "How life imitates the World Series."

It was no accident that, for most of this century, the only outstanding British sports reference book was *Wisden*, the cricket annual. Good books on other sports were rare indeed.

That has begun to change. Sports publishing is still dominated by the shallow biography or ghosted autobiography, although some are considerably better than others. This year's better efforts include *James Hunt – the Biography* by Gerald Donaldson (Collins Willow £15.99); and *Clough – the Autobiography* by Brian Clough with John Sadler (Partridge Press, £16.99).

Alongside the usual torrent of froth, the silver trickle of books which treat fans seriously is turning into a stream. These are books written by fans, often about the experience of being a fan.

In *Anyone But England*, his assault on the English cricket establishment (and, by extension, English society as a whole), Mike Marqusee recalls life as a teenager in 1960s America. "Swallowed up in a culture of mass protest which rejected competitiveness and aggression, I lost interest in sport." He rediscovered sport at university in England, listening to *Test Match Special* with stoned, giggling ex-public schoolboys and at Taunton, where he watched Somerset play in the company of "middle-aged men and women bundled in tweeds"... and "not a few long-haired remnants of an era that was rapidly vanishing" – one of whom sold cannabis resin behind the scoreboard. Marqusee, who unashamedly sees the hand of Marxist historical determinism in Test results, is the middle-class rebel as sports fan.

Colin Ward's *Steaming In*, published in 1989, was reprinted in paperback this year (Simon & Schuster, £5.99). Ward is a different sort of rebel to Marqusee. The book is a paean to the golden days of terrace-fighting in the 1970s. It is a catalogue of thuggery across the British Isles and the continent of Europe.

For all its violence, the tale has a heroic quality. Ward followed a code of honour. He disapproved of racism, thieving and weapons. He would not attack people who had not indicated they were ready for a fight, or continue to kick people once they were unconscious. In another time his tales of daring, cunning raids on enemy strongholds and brave defence of home territory were the stuff of manly young dreams. One of the hooligan leaders, Hickey, is courageous, witty, generous and deeply racist. With a different accent and a regimental tie, he could be the hero of a Buchan novel. Instead, he was arrested in 1986 as part of Operation Own Goal and sentenced to 10 years in prison.

Steaming In makes an excellent companion to Nick Hornby's more genteel and literary *Fever Pitch*, about which quite enough has been written, and this year's gloriously eccentric – and award winning – addition to the fan genre, *Football against the Enemy* (Orion, £14.99) by Simon Kuper (now an FT journalist).

> The outstanding reference publications are works of obsessives – the true fans

Kuper spent nine months travelling the world, watching games and exploring the link between soccer and politics. Everywhere he went people told him: "you've come to the right place". In every country, Kuper found fans, footballers and administrators with tales to tell and theories to expound. Perhaps the star is Roman Obchenko, head of international relations at Dynamo Kiev, who explained that the club exports not just footballers but nuclear missile parts. Kuper does not need to hammer his point home. In the old USSR fans went to games to whistle. Soccer matches were the only place they could show political dissent.

The lightness and economy of the account of a trip to a Celtic-Rangers match in Glasgow with which Kuper ends his book contrasts favourably with the self-conscious, stodgy and embarrassingly partisan meditation on the Old Firm rivalry with which Don Watson opens *Dancing in the Streets* (Gollancz £9.99). This is the tale of Watson's adventures in "World Cup City". It starts in a pub on the Edgware Road, where Watson watches Ireland qualify for the 1994 World Cup on television and ends in Pasadena, dancing in the streets with triumphant Brazilian fans. Ostensibly, Watson set off to follow Ireland. It is is difficult to avoid the suspicion that he was really following the footsteps of Pete Davies, whose *All Played Out*, a fan's eye view of England's 1990 World Cup campaign was, and is, a best seller.

There are other worthwhile works of a more conventional nature: Mihir Bose's *Sporting Colours* (Robson Books), on sport in South Africa, Simon Wilde's *Letting Rip* (Witherby Cassell) about fast bowlers, and Boswell's baseball book, *Cracking the Show* (£19.99).

But the best-thumbed books in any sports fan's library are reference works. These too are improving. *Wisden* remains a perennial best-seller, as does *Rothman's Football Yearbook* (Headline, £16.99), which celebrated its 25th anniversary this year. But while *Wisden* remains unchallenged, *Rothman's* now has a rival, *The Endsleigh Football Club Directory* (Harmsworth Active, £14.95). This lacks *Rothman's* polished presentation and historical scope, but does offer even more thorough player and club statistics.

Soccer, with its large fan base, dominates the field. The outstanding recent reference books are works of eccentrics, obsessives – true soccer fans. Three of the best, Guy Oliver's masterful *World Soccer* (Guiness, £19.95, 1992) and Simon Inglis' engrossing *Football Grounds of Great Britain* (Willow, 1987, £11.99) and *Football Grounds of Europe* (Willow, 1990, £14.95) are being updated.

A pleasing addition to the soccer library this year has been David Pickering's *Cassell Soccer Companion* (£16.99) a quirky mix of strange soccer facts and train-spotterish listings of non-league clubs.

Beyond soccer there is the *Radio 5 Sports Yearbook 1995* (Oddball, £11.99), the latest incarnation of the invaluable annual that started as *The Sportspages Almanac*, and gives a well-judged mix of statistics for almost every sport. It makes an utterly reliable Christmas gift.

A brazen pot among earthen vessels

Vernon Bogdanor argues that the great Lord Curzon was a bully who was rightfully denied the premiereship

Enoch Powell once declared that the lives of all politicians, unless cut short in mid-career, end in failure. No 20th century life illustrates this dictum better than that of George Nathaniel, 1st Marquess of Curzon. Viceroy of India in 1898 before he was 40, Curzon left an indelible mark on that sub-continent. "You will never send to India", declared John Morley, "and you have never sent to India, a viceroy his superior".

After a period in the wilderness, Curzon returned to office in 1915, to became foreign secretary from 1919 to 1924, under Lloyd George, Bonar Law and Baldwin. His achievements in the foreign office were, if anything, even greater than in India. It was Curzon who achieved a peace treaty with the Turks at Lausanne in 1923, Curzon who helped ease France out of the Ruhr in 1923, Curzon who began the revision of reparations that culminated in the Dawes Plan, Curzon who resolved the Corfu crisis without either alienating Mussolini or weakening the League of Nations. He remains among the greatest of 20th century foreign secretaries.

And yet, it all turned to ashes. As number two to the ailing Bonar Law, Curzon had every expectation of the premiership. He was, John Simon had declared, "the brazen pot" among "the earthen vessels" of the Tories.

Yet, within sight of the finishing post, the prize was snatched from him by someone he regarded as "a person of the utmost insignificance", Stanley Baldwin. The story is well known how, lacking such modern appurtenances as a telephone, Curzon waited in his house at Montacute until the village post office received a telegram from the King's private secretary asking if Curzon would receive him in London. Returning to Carlton House Terrace, he was told that the King had already appointed Baldwin since, with the Labour opposition unrepresented in the Lords, it was essential that the prime minister sit in the Commons. "Such was the manner in which it was intimated to me that the cup of honourable ambition had been dashed from my lips and that I could never aspire to fill the highest office in the service of the Crown".

The dramatic career of this Imperial proconsul has already inspired a number of biographies. The official biography, published in 1928, three years after Curzon's death, was written by the Earl of Ronaldshay, a future Secretary of State for India under Baldwin and Chamberlain. In 1934, Harold Nicolson published a study of his diplomacy, *Curzon: The Last Phase*. In 1960, Leonard Mosley was employed by Beaverbrook to do a hatchet job, while in 1969 two further biographies appeared, a life by Kenneth Rose and two volumes by David Dilks, *Curzon in India*, on the viceroyalty.

CURZON
by David Gilmour
John Murray £25, 601 pages

Given this plethora of biographical material, it is not clear why a further volume should be needed. Although Curzon is David Gilmour's first book on British history, he proves himself a master of his subject. He is a formidable researcher, having consulted no less than 77 collections of private papers. His judgment is generally sound and his style clear. There are one or two nuggets of fresh material, especially on the 1916 ministerial crisis which made Lloyd George prime minister and the Chanak crisis of 1922 which destroyed him. Yet he does not really have enough that is new to say to justify a 600 page book. Perhaps what Curzon really needs is not another biography but a short interpretative essay of the kind that Roy Jenkins does so well.

Gilmour's book, like most biographies, presents the case for the defence, claiming that Curzon was a more sensitive person and more riddled with self-doubt than he appeared. He argues that many of the more outrageous utterances attributed to Curzon were either apocryphal or self-mocking. Did he ever say, upon seeing soldiers bathing, "Dear me, I had no conception the lower classes had such white skins"? Did he really hail a bus and direct it to Downing Street, feigning surprise when it did not go there?

In the last resort, for all his achievements, it cannot be denied that there was something utterly preposterous about the ex-Viceroy. In public, he appeared pompous, dictatorial and conceited. A bully to his inferiors, he cringed before Lloyd George and failed to defend the prerogatives of the foreign office against the prime minister's "Garden Suburb". The man who had declared in 1902 that an increase in soldiers' pay would merely "find its early correlative in increased syphilis and intoxication", would hardly have proved a suitable premier during the labour unrest of the 1920s. In rejecting him for the premiership in 1923, George V made his own not insignificant contribution to foiling the British revolution.

■ *Vernon Bogdanor is Reader in Government, Oxford.*

JFK – the man behind the myth

Washington, D.C, January 26, 1961, early morning; snow swirling from high winds, 12 degrees of frost, the worst inaugural weather in 52 years; John Fitzgerald Kennedy, president-elect, sits down to breakfast. Richard Reeves describes the scene: "'Ask not what your country can do for you – ask what you can do for your country,' said John F. Kennedy. Then he paused, took another bite of bacon, and reached for his coffee." A surprisingly banal account, perhaps, of a particularly propitious moment in the life of a professional politician, but one that captures the distinctive tone and ambition of Reeves' biography.

It is a long and very detailed book (we are even told, for example, that the pope, in honour of inauguration day, had given Roman Catholics in the Washington area "a special dispensation from the Church's stricture against eating meat on Fridays" and that Kennedy had consumed no fewer than three rashers of bacon that morning), and it devotes most of its narrative to the account of what Kennedy did at significant points during his three years in power. Reeves is not so much interested in the myth as in the man, and not so much in the fixed historical facts as in the feel that they must have had as they took shape at the time.

What Reeves attempts is nothing less than a reconstitution of an historical present. In stark contrast to the countless studies, ranging from the reverential to the sharply revisionist, which have sought to place the Kennedy presidency in a definitive interpretive resting-place, Reeves' approach strives to re-animate the political context of the time, to unsettle the confident images formed by hindsight.

The Kennedy of Reeves' narrative is a man who did not know what he was doing at the beginning, and in some ways never changed at all, "reacting to events he often neither foresaw nor understood," a man who was "intelligent and detached" but also "careless and dangerously disorganised." Comparisons with more recent US political figures, although not attempted in the text, are certainly not discouraged.

PRESIDENT KENNEDY:
A PROFILE OF POWER
by Richard Reeves
Macmillan £12.99, 800 pages

What emerges from Reeves' account as Kennedy's most striking quality is his imaginative grace, his readiness to believe, unreservedly, in certain ideas and images about himself and his political potential. The presidency, observes Reeves, "is an act of faith;" Kennedy, he argues, "believed (and proved) that the only qualification for the most powerful job in the world was wanting it."

It is this adamantine characteristic that becomes something of a leitmotif in Reeve's narrative: the man who suffered from Addison's disease; who sometimes needed crutches or a cane in private to rest his back; who needed medication every day, sometimes every hour; who had received the last rites at least four times before he was elected president; yet who still preserved a public image as a beacon of youthful hope. "He had little ideology," claims Reeves. "And he had less emotion. What he had was an attitude."

Reeves is most effective as a biographer considering Kennedy's personal and political attributes. He is less convincing (sometimes disturbingly so) as an historian. His coverage of Kennedy's relations with the Soviet Union seems distinctly uneven, and his account of the Cuban missile crisis is incomplete and, in places, rather misleading. For someone who purports to be committed to the discovery of what Kennedy knew "and when he knew it and what he actually did – sometimes day by day, sometimes hour by hour, sometimes minute by minute," he is also capable of making some curiously injudicious remarks. When, for example, Reeves discusses the growing tensions in black America, it is unlikely that he intends to be taken literally when he asserts that "President Kennedy found out there was a revolution in his country by reading The New York Times on May 15, 1961," but neither is it very clear why he felt the need to employ such a misleading turn of phrase.

As a serious work of history, therefore, *President Kennedy* is, in spite of its apparent attention to detail, disappointingly lightweight and unreliable. As a popular biographical study of a president in power, however, it is well-written and refreshingly imaginative and vivid in its efforts at rendering a little more real those events too often obscured by myth.

Graham McCann

A born raconteur writes home

Touring days, alluring days, someone trills in one of Coward's more sentimental numbers; no longer. Few actors in modern times have felt its allure quite as strongly as Timothy West and his wife Prunella Scales.

I'm Here I Think, Where are You? is a collection of the letters which West has sent to Scales over 30 years of touring, national and global; their publication makes more widely available the shrewdness, drollery, and brilliant raconteurial gifts of a delightful companion.

His theme is inevitably geographical and theatrical, but the book's appeal is not to be confined to theatre – or indeed movie-goers.

Typically direct and undeluded, he conveys an affection for and a fascination with the craft of which he is such a master; sometimes one could wish to know more (I could wish to know more) about how he went about creating his satyr-like Shpigelsky in *A Month in The Country* (a performance in a supporting role which brought an entire universe of character onto the stage) or his heart-broken and heart-breaking Enobarbus.

I'M HERE I THINK,
WHERE ARE YOU?
by Timothy West
Nick Hern £14.99, 224 pages

In the end, though, he is not interested in analysing his work: well he was writing home to his wife, after all, and trying to tell her about where he was and what was happening (there is a letter of great power about a visit to Russia) and to raise a laugh, which he succeeds in doing again and again.

Reading the book is as easy, as diverting (and as frequently instructive) as sitting down to supper with the man; pour yourself a nice malt whisky and settle down with it. You had better bring the bottle over, come to think of it, because once you have started you will find it hard to stop.

Simon Callow

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Wild fancies and cultivated pleasures

From jungle planting to potting sheds, **Bridget Bloom** enjoys the range of this year's rich harvest of books about gardening

Few winter pleasures are more enjoyable than curling up with a good gardening book, dreaming of summer. The pleasure is heightened, of course, if the books are illustrated lavishly, a fire roars in the hearth, and the curtains are closed against the desolate borders outside.

This year, British publishers have produced a bonanza of such books. Themes are varied while photographs, plans and plantings seemingly are glossier and more enticing than ever. The books come with prices to fit every pocket.

I make no apology for starting with four volumes – three new and one re-issued – devoted to water in the garden: I started dreaming in the summer of a wild-life pond in my cottage garden; now, thanks to the books, I am almost at the point of cutting the first sod.

The best of the four is *The Water Gardener* by Anthony Archer Wills (Frances Lincoln, £25, 192 pages) although *The Water Garden* by Peter Robinson, in the Royal Horticultural Society Collection series (Conran Octopus £14.99, 128 pages), runs it a close second.

> All the gardens analysed are inspirational and all are capable of being adapted to suit different sites

Both cover step-by-step construction of water features, from the smallest of trickles to the grandest of formal pools, and both are illustrated with splendid line drawings and photographs. But Archer Wills scores on the comprehensiveness of his construction details – he has several pages on making larger ponds in concrete, which Robinson ignores.

Ponds and Water Gardens by Bill Heritage is a revised second edition of an already popular paperback and has the advantage of being compact and cheap at £5.99 (Cassell, 170 pages).

Creating Water Gardens by Mary Moody, in Anaya's Pleasure of Gardening series (£14.99, 128 pages), is perhaps not as comprehensive as the others; on the other hand, it is the only one to offer good advice on how to protect your fish from herons, which are serious predators for country pond-owners (put some terracotta piping on the bottom so the fish can hide in it).

The next clutch of books deals broadly with garden design – four of them, coincidentally, by contemporary British designers. *Great Gardens, Great Designers* by George Plumptre (Ward Lock £20, 160 pages) sets the scene, following the work of the 20th century's mostly grand garden-makers. Here, among others, are Gertrude Jekyll, Edwin Lutyens, Harold Peto, Lawrence Johnston, Vita Sackville-West, Geoffrey Jellicoe, Russell Page and Lanning Roper.

Plumptre – gardening correspondent of *The Times* – traces the beginnings of modern garden design in the 19th century and then analyses the essential tenets of each designer and their principal gardens. It is a handsome book.

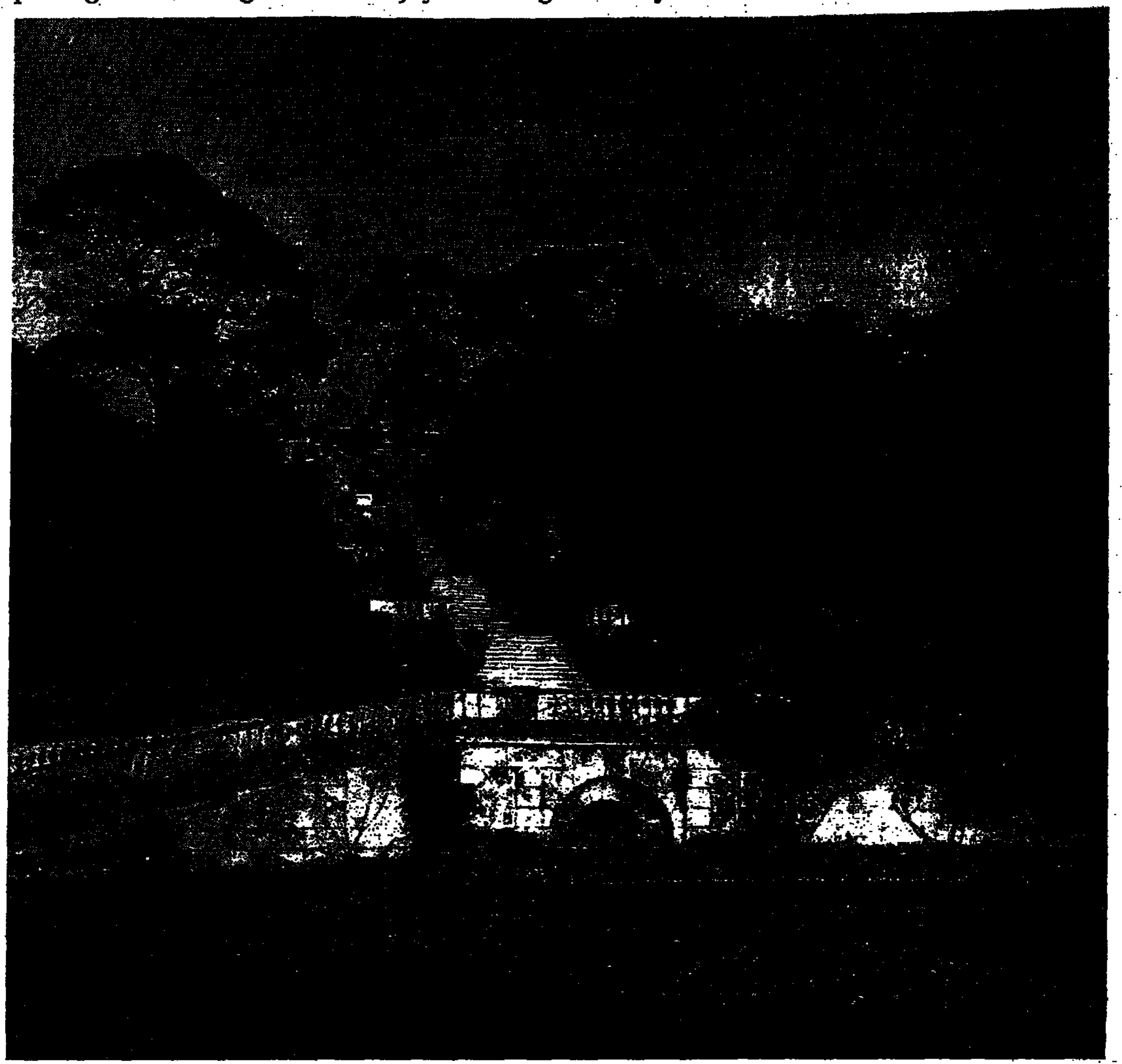
John Brookes, one of Britain's top contemporary designers and the only one to figure prominently in the Plumptre book, urges a "gentler, natural approach". In *Planting the Country Way* (BBC Books £18.99, 192 pages), he urges the gardener to be sensitive, not only to local climate and soil but also to the local ecology and environment. He pleads for planting and designs which, while not necessarily using all "native" plants, avoid "plots of hybrid-hued mini-plants".

Brookes takes a canter through garden history, covering some of the same ground as Plumptre but in a more practical fashion. He provides plans and plantings for different types of gardens: an enclosed herb garden or a garden on exposed downland, in woodland, a valley or even an inhospitable town.

If you are designing a garden, you might with advantage start with Plumptre and Brookes and then progress to Rosemary Verey's *Garden Plans* and Penelope Hobhouse's *On Gardening*, both published by Frances Lincoln (£18.99 and £20, 144 and 216 pages respectively).

Both Verey and Hobhouse, grandes dames of the British gardening scene, eschew "multi-hued hybrids" in favour of older-established, gentler species. Verey describes plantings she designed, primarily for classic gardens (whether Longleat or a manor house in Gloucestershire), but the schemes would adapt well to the naturalistic approach. There are many good ideas for vegetable gardens, too.

Hobhouse's book opens with a brief but fascinating essay on her philosophy of garden design, much influenced by the "many rooms in one garden" of Hidcote and Sissinghurst but with dense and exuberant "jungle planting" to soften the edges. *On Gardening* is really a valediction to Tintinhull, the National Trust garden which Hobhouse revived before moving on recently to a garden in Devon that sounds (from this book) like a green-field site. There is much to dream over here.



Shrublands Hall, Suffolk: a spectacular Victorian garden designed in the 1850s by Charles Barry, pictured in "Great Gardens, Great Designers" by George Plumptre (Ward Lock)

All these books have excellent photographs and are produced most attractively, but those qualities apply especially to the last "designer" book: Roy Strong's *Successful Small Gardens*, subtitled "New designs for time-conscious gardeners" (Conran Octopus £17.99, 144 pages).

Strong describes in detail nine gardens which, he reckons, can be maintained on an hour or two a week plus an annual clear-up; another six needing an afternoon a week in the growing season; and five specifically for the plant enthusiast.

Strong's gardens rely heavily on structure: gravel paths, box hedges or topiary, vases or statues, seats and the like. But he also illustrates a wild garden in a courtyard to complement the angularity of a modern house; and a pergola rampant with flowering climbers, with two tiny pools below, for an awkward city back-yard.

All the gardens analysed are inspirational and all are capable of being adjusted to suit different sites. And they are real gardens but, sadly, Strong rarely identifies them or their designers.

Now for a group of smaller, cheaper volumes. Mirabel Osler is an acquired taste, as she recognises. In her preface to *In the Eye of the Garden* (J.M. Dent £12.99, 176 pages), she notes that her musings might infuriate some readers. But I find attractive her mixture of practicalities, humour and whimsy (marvelling at the throat of a penstemon through a magnifying glass, or calling for old potting sheds to be listed as endangered species). The line drawings are as delightful in their own way as are the glossy photographs in the previous books.

In similar genre are two books from America. Henry Mitchell wrote a gardening column for the *Washington Post* newspaper for more than 20 years, and the *Essential Earth Man* (Houghton Mifflin, Boston $10.95, 244 pages) is a memorial anthology. The style is not to everyone's taste but, if you were a devotee, you will certainly enjoy this one.

Green Thoughts by Eleanor Perenyi is subtitled "A writer in the garden" (Pimlico £9, 279 pages, in UK only). Perenyi, a journalist and novelist, gardened in Hungary and on the Connecticut coast. With chapters in alphabetical order, she ranges from annuals, ashes and autumn through poppies, potatoes and pruning, toads, tomato and tools to a 10-page, somewhat tongue-in-cheek essay on women in the garden.

If pruning is your bent, incidentally, the book you need is the *Complete Book of Pruning* edited by Duncan Coombs (Ward Lock £12.99, 224 pages). Everything seems to be covered, including an appendix on your legal right – or not – to prune your neighbour's trees.

Last in this "Christmas stocking" category is one book on compost and another on companion planting. *Magic Muck, the Complete Guide to Compost*, is by "Lady Muck" (alias Jane Down, an enterprising farmer's daughter who could not get a job and decided to process farm slurry into compost for gardeners; she also bred worms).

All you need to know about both these subjects is covered in a book which is written entertainingly and illustrated nicely with line drawings by Tim Coath (Pavilion £9.99, 164 pages, in UK only).

The Companion Garden by Bob Flowerdew is (as television guru Alan Titchmarsh says on the cover) "packed with really good, down-to-earth advice on the practicalities of planting one type of plant with another for mutual benefit". It is also illustrated prettily and priced competitively (Kyle Cathie £5.99, 96 pages).

Meanwhile, if rock gardens are your thing, you have a choice of two volumes from the latest lists. One by Mary Moody, in the Anaya Pleasure of Gardening series, is called *Rockeries and Alpine Gardens* (£14.99, 127 pages). The other, in the excellent RHS Collection by Christopher Grey-Wilson, is titled *The Alpine Garden* (£15.99, 128 pages).

While the latter has a good introduction on alpines in the wild, both cover a dozen or so different types of alpine garden with construction, propagation and planting tips. Both are well-illustrated, as is *The Dry Garden* (£15.99, 128 pages) by Mark Rumary. This is also in the RHS Collection, a series of a dozen practical guides to planning and planting which have been published over the past year or two.

Any one would be a good present; the whole lot would set up a gardener almost for life.

Aristocratic excesses

This excellent account of aristocratic finances will confirm John Beckett's already high reputation as the leading scholar of the modern English aristocracy. He concentrates on the financial and social fortunes of the Grenvilles whose trajectory was more spectacular than that of most aristocratic families.

In 1710 they were a Buckinghamshire gentry family with a relatively modest seat at Wotton. By 1822, when they gained the long-sought dukedom, the Grenvilles owned over 70,000 acres, two large London houses and five country seats. Yet their fall was also spectacular. Thanks to debts of over £1m by 1845 the family lost most of their land and in 1889 the dukedom became extinct. The great house of Stowe was sold in 1921 and became a public school.

Beckett offers an essentially chronological account of this process. His study benefits from a formidable account of archival research. He skilfully integrates economic and social history and is alert to many other factors, ranging from landscape development to the benefits of political opportunity. The nature of an aristocratic dynasty is ably discussed: a succession of male heirs, with few other dependants, was crucial.

Beckett is also alive to the importance of the role of personalities. For example, Temple's desire to recreate the Dorset estate of Bubb Dodington made little sense other than in terms of his pertinacious personality. The Marquess Buckingham was obsessed with gaining a dukedom. The First and Second Dukes of Buckingham spent and thought nothing of massive debate. The First Duke married the heiress of the Duke of Chandos in 1796 and from her, and his father, had a rent roll of over £70,000: but the Duke's collecting, electioneering and houses ensured that he always lived beyond his means. He was extravagant and was swiftly involved in a spiral of debts. The Duke exacerbated the problem by neglecting the estates and fraudulently interfering with the settlements. By late 1832 four-fifths of his income was going into paying interest charges. In 1833 a trust was created to run the Grenville estates. The Duke prepared to take an extended cruise only to find he had used the yacht as security for loans, and before he could leave port it was sequestered.

THE RISE AND FALL OF THE GRENVILLES, DUKES OF BUCKINGHAM AND CHANDOS 1710-1921
by John Beckett
Manchester University Press £45 (£14.99 pbk), 320 pages

The Second Duke was similarly dishonest, precipitating a crisis in 1847 that set peer against heir. His debts led to his loss of control over his estates and he spent his final years as a pensioner, living on money provided by his son and anything he could borrow.

The Third Duke had no sons, but his caution and efforts ensured that he left no debts. However, Richard Morgan-Grenville, the heir to Stowe, died in the Great War, and Lady Kinloss, who neither needed nor could afford Stowe, arranged for its sale.

Jeremy Black

A mistress of repartee

A.C. Grayling on a remarkable portrait of salon life in 18th century Paris

Paris was a place of scandal during the period of the duc d'Orlean's regency in the early 18th century. Orgies were held in the Regent's rooms every evening, involving behaviour so lubricious that its contemporary chroniclers dared not name it.

At the height of the Regent's excesses, shortly before his death, a young newly-married woman joined his bacchanalia and became his mistress. She was a sparklingly vivacious, witty woman with beautiful eyes: Marie de Vichy-Champrond, marquise du Deffand.

This was a spectacular arrival on the social scene for a young woman not long out of convent school, not long married – and not long separated from her milk-sop husband. It presaged the rising of a new star in the French social firmament. Mme du Deffand became one of Paris's great salon hostesses, and because of her friendships with D'Alembert, Voltaire, the duchesse de Choiseul, and especially with Horace Walpole, she made substantial contributions to one of the 18th-century's richest literary traditions: the art of letter-writing.

In this translation of her much-praised biography, Benedetta Craveri paints an extraordinarily rich portrait of Mme du Deffand and her world. It is not a biography in the straightforward sense, so it proves an advantage to know the outlines of Mme du Deffand's life before reading Craveri, whose primary concern is with the nuances of the marquise's complex relationships and their even more complex setting. Craveri explores both through the marquise's vast surviving correspondence, which shimmers with historical and literary fascinations.

Mme du Deffand was born into an aristocratic family at Champrond in 1697. At her convent she preached irreligion to her fellow-pupils, so the Mother Abbess summoned the great Massillon to correct her. He failed, commenting as he left "She is charming!" Her parents married her to a cousin, the marquis du Deffand, but they soon separated, whereupon Mme du Deffand began her career of dissipation.

After the Regent's death she was for a long time a companion of the royal duchesse du Maine, who kept court at her château at Sceaux. The chief pastime there was theatricals. Here Mme du Deffand established her reputation as a wit and mistress of repartee; and here she enjoyed the best years of her long-standing affair with Jean-François Henault, president of the parlement of Paris.

It was only in middle-age that Mme du Deffand established her own salon, based in the secular wing of the convent of St Joseph in Paris. Its handsome apartments were famously decorated in buttercup yellow watered silk decorated with flame-coloured bows, which visitors came from all over Europe to admire.

MADAME DU DEFFAND AND HER WORLD
by Benedetta Craveri
Halban £30, 481 pages

It was a salon for aristocrats, not savants; with the exceptions of her lifelong friend Voltaire, D'Alembert – whom for a time she loved – and, briefly, Rousseau, she hated the philosophes, holding it against Diderot that he was such an ill-mannered lout that he used inadvertently to kick Catherine the Great's shins while explaining points of philosophy to her. Instead, her salon entertained aristocrats increasingly at odds with the new world of the Enlightenment, who looked back to the manners and values of the days of Louis XIV.

At the age of 55 Mme du Deffand went blind. (Voltaire said "she has been punished whereby she made others sin.") She employed Julie de Lespinasse to help her run her salon. While the clever and lovely Julie was at her side, the literati still attended; but then Mme du Deffand discovered that Julie and D'Alembert were having an affair, and that the literati arrived early to spend time with Julie on her own; so the women quarrelled, and Julie left, taking the literati with her.

But the greatest was yet to be. Horace Walpole, gothic novelist son of the British Prime Minister Sir Robert Walpole, became an habitué of Mme du Deffand's salon, and she – though 20 years his senior – fell in love with him. Walpole did not return the sentiment, but was drawn to her nonetheless by her intelligence and perceptive wit. As a result he drew her best work from her, in the form of letters. By his prompting and example he made Mme du Deffand reveal in her letters a high order of literary talent.

Mme du Deffand suffered terribly from what she called ennui and she is one of the first true chroniclers of ennui as an existential agony. But despite it, she took by sheer force of character and intellect a position at the centre of French 18th century life, her intimate record of which is not only one of the great literary achievements of the time, but a great historical document.

Ethnic bricks exposed

J.D.F. Jones on the difficult role of the Zulus in the new South Africa

Just a couple of years ago, the guest of honour at a luncheon in the officers' mess of the South Wales Borderers in Brecon was an ancient and distinguished Zulu gentleman called Magqubu. He and the colonel toasted each other and reminisced about the exploits of their forefathers in the Anglo-Zulu War of 1879, when – the stuff of legend – at Isandhlwana and Rorke's Drift, assegai-wielding *impis* gave a nasty shock to the pride of the British Empire. Here in Brecon warrior-nation (in decline) saluted warrior-nation (ditto).

The colonel was not so rude as to point out that that unequal conflict dealt a fatal blow to the Empire's most picturesque and legend-worthy ethnic group, militant tribesmen eulogised by Rider Haggard and other writers, respected for their (alleged) dignity, stoicism, generosity, honesty, elemental and intuitive integrity, etc, and at the same time notorious for their bloody barbarity. (It was in this minor war that the young Louis Napoleon, the Prince Imperial, met his end, occasioning Disraeli's remark, "A wonderful people, the Zulus. They beat our generals, then convert our bishops, and they write *finis* to a French dynasty...")

The fact is that the Zulus, who had emerged from obscurity to notoriety under Shaka at the beginning of the 19th century, plunged after 1879 into a decline from which they have only just escaped. Their place in the modern world is still not clear; and they are at the very heart of the South African political drama today.

Stephen Taylor's book, *Shaka's Children*, is therefore very timely. His thesis is that "once the cement of apartheid, which had bonded together the foes of white domination, was lost, the ethnic bricks that made up this diverse and complex nation would be exposed..." Looking at the events of 1994, it is impossible to disagree; South Africa will have to reconcile its tribes to the future – and the trickiest will be the Afrikaners and the Zulus.

SHAKA'S CHILDREN
by Stephen Taylor
HarperCollins £18, 416 pages

The Zulus, or rather the Inkatha party of Chief Gatsha Buthelezi, joined in the April election at the last imaginable moment and made a good showing at the (rather dubious) polls, as a result of which the increasingly-impossible chief is – at the moment of writing – in Cabinet. But Zululand is the shakiest card in the new South African pack, as president Mandela (a Xhosa) is well aware, and the history of this arrogant and impressive people, the largest ethnic group in the country, is highly relevant.

Taylor's first 250 pages is a straight-down-the-middle story which is competently, even elegantly, done, always readable and pleasantly un-academic. He then tackles the post-1879 period and gets a bit unfocused – this becomes not so much history as extended journalism, which is probably inevitable because he has to pose questions rather than recount the answers.

He hangs on to the point that the Zulus are not a homogenous people and have for a century been split between traditionalists (strongest in the north, in the *kraals*) and (Christian, educated, southern) urbanites. In different ways Buthelezi and King Goodwill (a Christian polygamist now being courted by the ANC government) represent two ways of bridging this division, which was downplayed until recently because, so long as the white government emphasised ethnicity under apartheid, anyone hostile to that government was bound to decline to endorse that ethnic view of South African society. But this is a new world and the Zulus' place in it will have to be sorted out, which means that the division in the tribe will have to be resolved. It would of course have been so much easier if Britain had reserved Zululand (like Basutoland and Bechuanaland) to its own direct rule many years ago.

Stephen Taylor's account of the Zulus in this century is a little thin – but maybe he has no significant story to tell. The Xhosas hijacked the ANC at some stage; Albert Luthuli managed to straddle the traditional/urban Zulu divide; Buthelezi was a protégé of Luthuli but post-1980 his willingness to associate with Pretoria inevitably turned him into a "stooge" (and his opposition to sanctions, Taylor correctly emphasises, was "a colossal blunder").

Are there lessons? Nothing encouraging. "Faction fighting" will continue, with the appalling and weekly bloodshed that entails. The Tugela River will continue to divide the Zulu nation. And the fact that there are eight million Zulus will remain the single most significant element in South Africa's political future.

هكذا من الاصل

صكرا من الاهل

Our premier theatrical fruitcake

Ian Shuttleworth talks to Ken Campbell, the lunatic genius of the fringe

It is easy to deduce which of the new houses by the River Lea in North London is inhabited by Ken Campbell: it is the one with the plaque of a flying pig by the front door. The interior decor is similarly *outré*, consisting largely of items of set from his various stage shows. How can he bear to live in the same room as an enormous portrait of John Birt, director general of the BBC? "Well, I have a set of darts..."

Less straightforward, though, is the task of explaining in measured, comprehensible terms just why Campbell has become so cherished as Britain's premier theatrical fruitcake. His series of surreal one-man stage shows rummages through the bottom drawers of culture, science and an assortment of bizarre notions has endeared him to audiences and critics alike. Since staging what was then his trio of solo rambles at the National Theatre last year (he dubbed it "the Bald trilogy" to compete with the theatre's concurrent Hare trilogy), Campbell has discovered that "I don't get writer's blocks, I get writer's flux," and the trilogy is now a quintet-going-on-sextet. If you have ever felt the need of a batch of easy-to-digest, psychotically seductive crash courses in Fortean phenomena, to name but a few of the topics covered, Campbell is the weirdo you have been looking for.

This may all sound uncomfortably like the man who sits heavily beside you on the bus and begins to complain loudly that "They" are spying on him with rays, but Ken Campbell has ploughed his particular curlicued furrows over many years and in a number of theatrical fields. From beginnings in repertory theatre (recalled in his show *Mystery Bruises* with a learned analysis of why the other characters in *Macbeth* ignore the Thane of Angus – "Do they not see him? Is he a dwarf?"), he went on to do a stint as stooge to Dick Emery on a stage tour, then to "the baths: I was director of the Bournemouth Aqua Show... well, of the shallow-end acting bit.

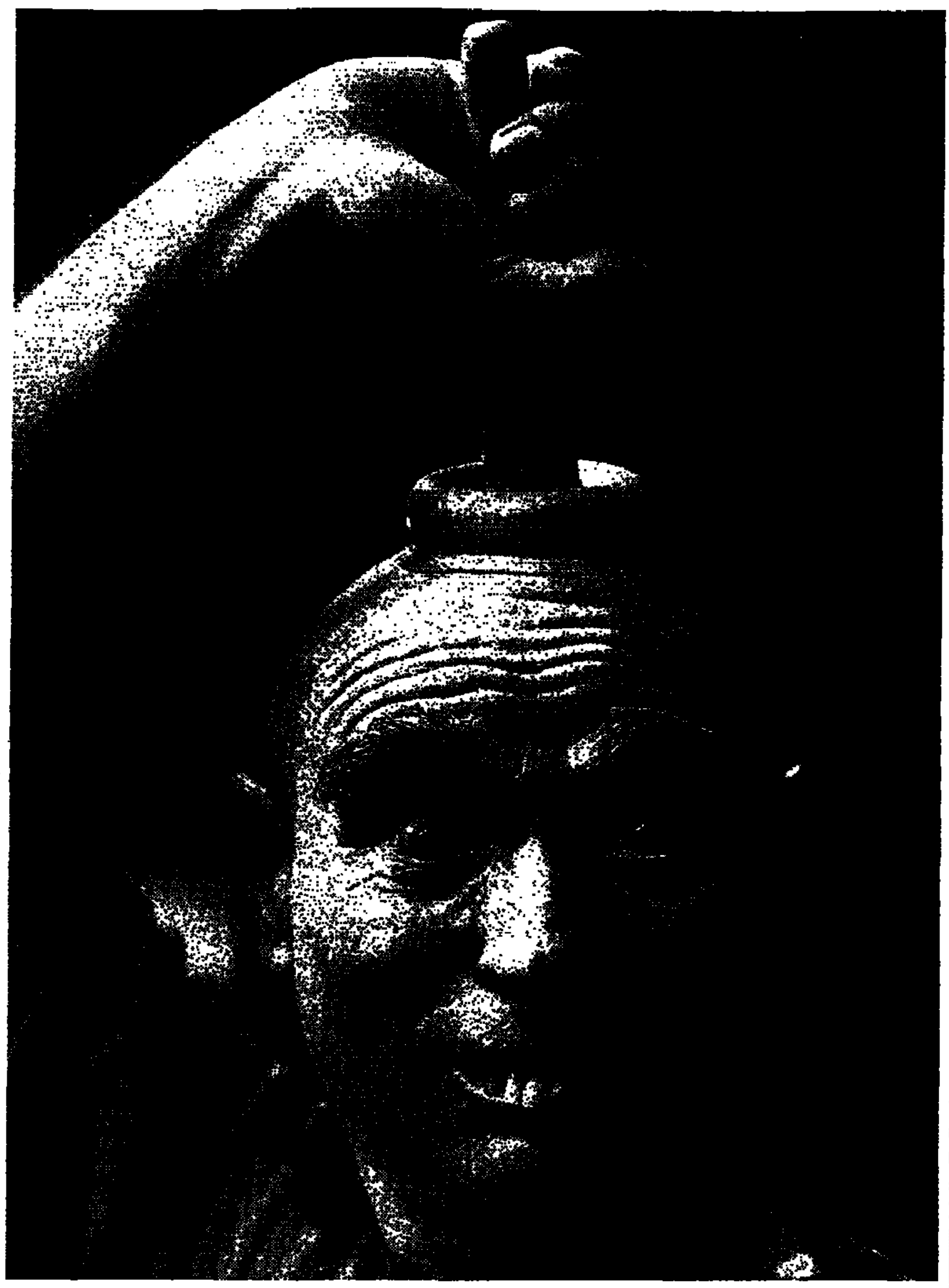
"The writing took off in the mid-60s – when I was understudying Warren Mitchell. I showed him a play I'd written for kids called *Events Of An Average Bath Night*, and we put it on in the RADA theatre. They had a notion at the time of putting professional shows on there and it didn't work, and that one particularly didn't work. But then I wrote a number of TV plays within a year, and they all got done."

A period at the Royal Court was followed by the first outbreak of virulent, infectious Campbellian idiosyncrasy: the Ken Campbell Roadshow. "The first show was with Bob Hoskins, and was notable for being based on urban folk-myths, vanishing grandmother, ghost hitch-hiker, all that stuff – and the second was notable for putting my ferrets down Sylvester McCoy's trousers. Bob had so much talent; he could have been a great comic, you know, like Jerry Lewis, Norman Wisdom, proper crap comedy, but he decided to go and be gangsters. He's been rather successful at it, so I can't knock the decision."

The Science Fiction Theatre of Liverpool (1976-80), under Campbell's artistic direction, provided the opening show for the National Theatre's Cottesloe space in the form of a nine-hour stage adaption of the *Illuminatus* novels, and took the world record for longest continuous play with *The Warp* at 22 hours: "It consisted of ten separate dramas, each with its own title, but they were so weird that nobody ever knew them; *The Winds Howling Through Tiflis* was one, I don't know why it was called that but I didn't want to look thick so I never asked." SF activities continued into his tour of duty at the helm of Liverpool's Everyman Theatre.

Add to this c.v. a clutch of acting roles as diverse as Alf Garnett's neighbour Fred Johnson in BBC sitcom *In Sickness And In Health*, a man who shoves a rotting prawn down comedian Jim Davidson's throat in Peter Greenaway's *A Zed And Two Noughts* and a crooked solicitor in *A Fish Called Wanda*, and Campbell would appear to possess a formidable array of talents. He denies it: "I can write a bit; I can direct, but I only really enjoy directing something that *nobody else will, I don't want to join* the who-can-do-*The-Cherry-Orchard*-best competition."

The solo shows began by chance when he asked to plug a scheduling hole in Camden's Offstage Downstairs studio theatre in 1988, and "all I could think of was an evening of reminiscence, nattering about things that had happened to me. Then I went onto Robert McKee's storycraft course, and there's a moment where he says, 'A *story is a bigger thing* than life itself, way beyond mere reminiscence,' so I thought, 'Oh well, I'd better make a story, then,' and bunged a fib or two in." And the rest is history, albeit a distinctly unorthodox version.



A rummage through the bottom drawer of culture and science: Ken Campbell in 'Pigspurt'

Alastair Muir

Work in the pipeline includes a commission from the National Theatre for solo show number six, which apparently concerns "mystic geography: sometimes out of the blue somebody will way something like, 'You must go to Kathmandu,' or somewhere you'd never really thought of *going – well, I've got a few I have to* follow up.

"But I think (the solo work) might be coming to an end. I've got a faint feeling this one might be a bit different: a one-man show with some other people in it."

In February Channel 4 screens *Reality On The Rocks*, a three-part popular science series in which narrator Campbell explains matters such as "the expanding universe, how time is curved, and listening to the echoes of the Big Bang through this gramophone horn thing." He also gives elocution tips to Professor Stephen Hawking: "I said, 'That voice they've given you's rather good, it's got some humour in it,' and he said 'YES', and I said, ...'except when you say yes, they ought to give you the option of a campy yes or an ironic one,' and he went, 'MAYBE'."

But what aspect of his work gives him most satisfaction? "Well, there's a party on Friday I'm looking forward to..."

Ken Campbell's solo shows are performed consecutively next week at the Cockpit Theatre, NW8.

Popular restoration

David Murray finds a fresh and clear approach in Man of Mode

George Etherege's acrid comedy, playing in judicious tandem with Stephen Jeffrey's *The Libertine* at the Royal Court, gets a pretty well faultless production from Max Stafford-Clark. (The plays share their casts and sets as well as their director.) The first recorded staging of *The Man of Mode* was in 1676, and it was popular for 50 years; but later ages began to find it immoral and nasty, and after 1766 it seems not to have been revived until this century.

It is easy enough to see why it aroused discomfort. Even its happy ending has a bitter edge: bed-hopping Dorimant weds Harriet because he truly loves her, but also because he needs her estate and until the final moments, his brutally discarded mistress and his younger paramour are at the party. In fact the play's hero is by a long way its most calculating and disillusioned character. A contemporary assessment of it as "an agreeable representation of the persons of condition of both sexes, both in court and town" fairly takes one's breath away.

Even by the high standards of Restoration comedy, the text is notably witty and literate, and Stafford-Clark's eleven-strong cast do it proud. Though it is played with unhesitating speed, nobody's tongue trips, and every phrase cuts cleanly through the air.

Public behaviour is just as important, for it is endlessly discussed, mocked and indeed carefully illustrated at several points: it is what everybody most cares about. The cast get it beautifully right, never falling into slovenly modern ways but never into "period" campery either not even Sir Fopling Flutter, who in the person of Tim Potter is so touchingly confident of not being the prancing idiot that he is, that he never looks like a caricature. Apart from its immorality, the most startlingly modern aspect of the play is the extreme, critical self-consciousness of nearly everyone else about his and her feelings. Again and again a character stands back from himself and discusses his own mechanism like a clinical researcher. David Westhead's slightly truculent dryness is nicely adapted to Dorimant in that mode; Katrina Levon's cast-off mistress, Mrs Lovett, does it in bursts of violent passion.

Alastair Muir

Tim Potter as Sir Fopling Flutter

There are no weak links. Amanda Drew makes a fresh but properly clear-sighted heiress Harriet (with a pretty whiff of the innocent countryside about her), Cathyrn Bradshaw a wry, fetching paramour. There is a doughty father Bellair from Bernard Gallagher, whose comic timing is excellent, and Barnaby Kay plays his son Dorimant's best friend with doggy eyes and a defenceless face, which contrasts with Dorimant's style. Jason Watkins plays Medley, a witty friend, sharply, and makes a rapturous, irresistible aria out of his description of Harriet.

Peter Hartwell's sets are plain, economical and effective, and his costumes impeccably apt for the people they dress. John Baxter's group dances at the start and finish of the second act are infectious enough to make one want to join in; helpfully, the cast encourages two or three audience members to do just that, on stage. It did not feel like a gimmick. In several respects, this *Man of Mode* is the most intelligent and rewarding Restoration revival I've seen in years.

Fractured fantasies in the raw

Sophie Constanti sees Second Stride breaking boundaries

At the end of *Fast and Dirty* – the collective results of a five-week experimental theatre workshop initiated by the mixed media performance ensemble, Second Stride, and presented at Whitechapel's Curtain Theatre – the artistic director, Ian Spink, bounds on stage and invites the audience to join him and the performers at a nearby pub.

Although the suggestion veers uncomfortably close to that brand of luvvies-at-the-cutting-edge liberalism in which woolly, post-performance debate between creators and public is marketed as a form of personal growth for all, Spink throws it our way with the kind of admirable folly and spontaneity which, judging by the evening's miscellaneous offerings, appears to have inspired most of *Fast and Dirty's* participants.

Take, for instance, the prologue to a series of untitled voice and movement improvisations featuring the eight members of Group 2. Bungling but prudent ringleader Phelim McDermott instructs the assembled crew of actors, dancers, and musicians to be "positive about other people's ideas ... be available ... be sparing with words ... and, if all else fails, to ask for lights out."

In the first of the group's enjoyable juvenile efforts, two men jostle and prance around the lolling body of a woman who reaches out in vain for assistance. In the second scene, McDermott mobilises various body parts – an elbow, a knee, even his eyes – in the ridiculously exaggerated manner of a bad mime artist or novice dance student. But his most absurd contortions are reserved for "doctor's" orders to "move [his] intention".

In another episode, a duet for two women dissolves in an orchestrated attack of coughing and sniffing, the prelude to a run of physical endurance testing which, although mainly for McDermott, sends his colleagues into fits of barmy aggression, forcing an immediate curtailment of all activity.

The continual threat of chaos, so amusingly manipulated by the performers, is perfectly balanced by the unexpected moments of impotence and fear that characterise all true forms of improvisation and experiment.

The performers feed on and savour those moments. In the final tableau, an unseen schoolteacher is heard admonishing a pupil. "I want you to come out in front of the whole class and dance," says the teacher, a command which prompts instant paralysis and strikes a chord of comic-horror with immaculate ease.

Less is left to chance in the first item of the evening, a collaboration – entitled *I Would Be Desirable* – between director Hilary Westlake, choreographer Sue MacLennan and composer Fabienne Audeoud, involving two actors, two dancers and a singer.

Working around a single, unanswerable question, "If I were you, who would you be?", the performers evolve and dissect their own language of physical and verbal communication. Their faces are shown in close-up on a bank of video screens which later accommodate edited footage of an encounter between the dancing couple, Julien Joly and Gill Lyon. At a bistro table, one man interrogates another to no avail, eventually storming off-stage only to return disguised in a woolly hat and all-in-one plastic glasses, eyebrows and nose.

Themes of mistaken identity and jumbled memory colour the intervening text for two speakers, who, revising their stories as they recite them, are periodically thumped by their respective silent partners.

Fragments, the two-part closing work directed by Lucy Bailey and Ian Spink for a third group of performers, is the most impenetrable piece on the programme.

Based on selected texts written in diary form by an unnamed 20-year-old woman, it lures you into a dangerously unpredictable fantasy world of dopplegängers, alter egos and evil spirits.

In her bedroom, a woman dressed in a night gown and prone to intermittent bouts of furious scribbling is visited by Lizzie Saunderson's Babushka, a collector of dirty laundry, by a musician who outstays her welcome, and by the oddball couple (Linda Dobell and Liz Ranken) who, as the woman's parents, display an even greater tendency towards lunatic behaviour than their disturbed daughter.

Ranken (the father) turns into a convincingly semi-rabid dog but, having regained his/her composure, is later to be seen drowning under a black sea constructed from plastic bin-liners. And just when the storm of slamming doors and hysterical exchanges seems to be blowing over, Desirée Cherrington's mute diabolist springs to frightening life, clambering on to the desk and up the wall.

As Spink explains in his introduction to the evening's events, the act of presenting such raw, newly formed work demands a two-way negotiation of the process-versus-product argument.

Over the past few years, many performers have stressed the importance of funding for research and development. But are such embryonic creations of any interest to an audience? Work as intellectually mature and focused as Second Stride's *Fast and Dirty* contributions offers, even in its unfinished state, a revealing insight into the perils and delights of theatre which is led by opportunity, accident and instinct.

As McDermott points out in his round-up of performance possibilities: "Some people [in the group] might never come on stage."

But that, he reminds us, "is a valuable contribution to a piece, sometimes."

■ *Second Stride's next project, Badenheim, will tour from autumn 1995.*

Elgar's Dream

On Sunday at the Barbican *The Dream of Gerontius* received a welcome dusting-off. Ever since its premiere in 1900, Elgar's masterpiece has been a repeated victim of the "English Choral Tradition"; many of the finest interpretations have come from outside that tradition and taken a broader view of the music, whose roots are firmly in the mainstream late-Romantic idiom.

Few English conductors are better qualified to approach the work from that direction than Colin Davis, who brought vast operatic and symphonic experience to what may well have been his first *Gerontius*.

With a trio of soloists not normally associated with Elgar, and the London Symphony Orchestra and Chorus on splendid form, Davis was able to take a "new" look at the piece. It emerged as a giant symphonic poem for soloists, chorus and orchestra significant, since Elgar never termed it an "oratorio".

Davis's approach was clear right from the Prelude, in which some of the orchestral textures took on a surprisingly diaphanous glow. He also revealed a feeling for Elgarian rubato, a barely perceptible give-and-take in tempo rather than the mannered gesture that all too often disturbs the music's flow.

He filled in dramatic detail without unsettling the broad sweep of the music. Tempos were generally relaxed, except in the viscerally exciting Demon's Chorus, which for once sounded properly demonic. Elsewhere, the chorus excelled itself with controlled, still singing.

All three soloists supplied the almost operatic dimension the composer sought. Thomas Moser was a full-toned Gerontius who, after a slightly tentative start, sounded like Elgar's "worldly man". ("I've not filled his part with Church tunes and rubbish but a good, healthy full-blooded romantic, remembered worldliness," wrote Elgar.) Anthony Michaels-Moore sang eloquently in his two roles, his baritone slightly roughened by a cold but nevertheless imposing.

As the Angel, Anne Sofie von Otter – a refined mezzo far removed from what has become the "gallon-jug" tradition of this music – sang with radiant warmth rather than fervour. This is new territory for von Otter and her voice is perhaps a little light for some of Elgar's thickly-scored climaxes, but throughout her part, and especially in the Angel's Farewell – over which Davis lingered magically – she maintained her poise.

The projected Philips recording with Davis and these forces will be a valuable addition to the *Gerontius* discography.

John Allison

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Surrealist show-cases

William Packer lifts the lid on the latest exhibition at the Whitechapel gallery

We live out our lives with boxes from the cradle to the grave. By whatever they hold, they describe and define what we are and would be, our fears and hopes. We have only to lift the lid, open the box to discover who knows what treasure, or secret, or horror. "Open the box, OPEN THE BOX!" shrieks the audience in gleeful anticipation.

Christmas boxes, chocolate boxes, match boxes, tool boxes, soap boxes, toy boxes, dressing-up boxes, hat boxes, paint boxes, cigar boxes, knife boxes, button boxes, shoe boxes, jewel boxes, pill boxes, make-up boxes, fuse boxes – we could go on with the list for ever.

For boxes mean lists too, and categories and collections – boxes full of sea shells from those far-off beaches of childhood; cabinet drawers full of birds' eggs plucked and blown so carefully in days before ornithological correctness; match boxes full of beetles, spiders, moths and butterflies. There is the remembered feel and rustle of tissue paper and cotton-wool, the pulling open, the unwrapping, the oh so gentle picking up.

Boxes also mean the festivals, the games and discoveries of childhood, the presents, the parties, the dressing up, the illicit searchings and adventures through attics and cupboards, dressing-tables and chests-of-drawers.

Small wonder then that artists should draw directly upon this common stock of memory and experience. To surrealists in particular, including our latter-day conceptualists, the box has been an obvious and constant theme. There it is, to be taken as it is found, its contents ready-made. Or again it is taken as it is but left unopened, declared by its label only in imaginative possibility. Or yet again the label is the artist's own, and the contents to be taken on trust. Or the contents, as the artist has supplied them, are revealed or hinted at, the box itself become a stage or theatre in miniature, quite literally a show-case.

The emphases and combinations are limitless in possibility, and any exhibition of such work, whether brilliantly or indifferently chosen and presented, can hardly fail to be fascinating. Indeed the material is so dense that any particular disappointment may be immediately shrugged off for the treat that follows. This show at Whitechapel, ending a national tour, is true to that form and indeed holds many not just fascinating but beautiful things.

Joseph Cornell, with his quietly theatrical and ambiguous narratives, sets the pace, and from Schwitters' flattened cigarette carton, and such as Man Ray, Eileen Agar, Arman, Meret Oppenheim, Louise Nevelson, Jiri Kolar and Martial Raysse, to Earnshaw and Raynaud, surrealism supplies the substance of the show. The upshot is that interest and surprise lie less in the nature of the work than in its particular quality and in the artist who produced it. I was especially intrigued by Avis Newman's little box of snails set in waxed compartments, and delighted to see Fred Stiven's small and mysterious boxed abstractions, self-effacing to a fault, given their proper prominence at last.

But all that said, and the works of some of the artists – Cornell, Schwitters, Stiven, Kolar and one or two others – excepted, one cannot but come away feeling just a little let down. For so much of it seems amusing enough, and clever, but also arch and self-conscious, easy and arbitrary, as though anything else would have done just as well.

We are back to the tray of birds' eggs and the box of sea shells, and to the drawers and cabinets full of nails and screws and clips and bolts in the old-fashioned ironmonger's shop.

Worlds in a Box: Whitechapel Art Gallery, Whitechapel High Street E1, until February 12; a National Touring Exhibition from the South Bank, sponsored by British Telecom.

An untitled box construction by Joseph Cornell, c.1948-54

Welsh Yeomen

The very Englishness of it all only underlines the irony. Through a thick London fog a beefeater arrives to start the show; a cut-out curtain shaped like the Tower of London rises to reveal the huge red-and-white cross of the English flag draped across the stage.

The twist is that the venue is in Wales. While English opera companies seem to have lost interest in Gilbert and Sullivan, Welsh National Opera is taking up the cause instead. This new production of *The Yeomen of the Guard* is the first G&S in the company's history and – to emphasise the irony further – will be the first ever to be staged at the Royal Opera House, when WNO takes it on tour there next year. The production is also shared with Glimmerglass Opera in the US.

All this suggests that WNO is confident about what it has taken on. Opera companies essaying G&S for the first time often find the experience chastening, because they treat it as slapstick and promptly fall flat on their face. *The Yeomen of the Guard*, in particular, is a comparatively sober entertainment and for that reason resistant to vulgar treatment.

In case its producer slipped on a banana skin, WNO wisely took out insurance. The cast includes one G&S veteran, a younger G&S specialist and several of the most experienced stage artists in opera today. Donald Adams made his debut as principal bass with the D'Oyly Carte at the New Theatre, Cardiff, back in 1953, so returning to the theatre 40 years later to play Sergeant Meryll again must bring back memories. He is the consummate professional.

After his Ko-Ko in London, Richard Suart has G&S patter on the tip of his tongue (sometimes close to leaving Gareth Jones behind in the pit). His Jack Point in this *Yeomen* looks crestfallen when he walks on and is crushed into a cowering loser by the end, as always a physically telling portrayal. A melodramatic lighting plan catches Felicity Palmer's face at her entrance, sculpting a skeletal mask for her fearsome Dame Carruthers, but then everything this singer does on stage commands attention.

Alwyn Mellor and Neill Archer play naturally together, without too much Edwardian winsomeness, as Elsie Maynard and Colonel Fairfax. Pamela Helen Stephen's Phoebe combines temptress and innocent in one, though her seductive singing gives the temptress the upper hand; the big voice of Donald Maxwell makes his Shadbolt an unusually dominating character.

Wherever their personalities come across strongly, Tim Hopkins as the producer must take a share of the credit. The best of his production, designed by Peter J. Davison, comes when the words are allowed to make their points unaided and there are mercifully few unwanted visual gags deforming the script, like red noses planted on Gilbert's portrait. Only the restless choreography gets on one's nerves. The chorus behave like mechanical puppets, but with any luck their batteries will have gone flat before the show reaches London.

Richard Fairman

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Caribbean carnival

At the Cochrane Theatre, the black Talawa company has found another offbeat Christmas show to stage. This year it is Sylvia Wynter's *Maskarade*, with music by Olive Lewin, which recreates a Jamaican street festival known as "Jonkunnu". (Nobody is quite sure why, but it may commemorate a man called John Canoe.) For colour and verve, Yvonne Brewster's production scores high; there is a certain intelligibility problem with the Jamaican dialect, but that rather enhances the exotic charm of the piece.

The setting is Kingston in 1841, a year in which the Mayor rashly decided to ban the Jonkunnu parade. The civil disorder that resulted barely crops up in *Maskarade*, however, for it is not a political show. In the first act we watch the local citizenry preparing for the carnival, planning their costumes, jockeying for the best roles in the mummers' play; in the second, we get the play itself, declaimed in quaint rhetoric amid a swirl of fantastical costumes.

Those, like the stereotyped folk-characters who prance and revel in them, carry half-remembered echoes from all over: Africa, courtly Europe, pure local fantasy. The cast of ten – all-singing, all-dancing – project everything with terrific gusto, even when what they have to say is opaque to non-Caribbean ears. (The Caribbean part of the audience relished many things that passed the rest of us by.) This is a thoroughly professional cast, by the way, not just talented amateurs, and any West Indian connections they have probably go back a generation or two.

There are a lot of appealing songs, simple and mostly short, accompanied by a trio sitting high on one side of Ellen Cairns' pretty set (an arrangement of screens and straw carnival-figures). There are lively fusillades of drumming. The whole show takes less than two hours, and ends with a touching lament. Children might mind not being able to figure out just what, exactly, is going on; but if they don't, they will probably enjoy everything else about *Maskarade*.

David Murray

Television/Christopher Dunkley

Midnight after a hard day in the House

The BBC Director-General, John Birt himself, is said to the be the man responsible for the launch of *The Midnight Hour*, a late-night BBC2 studio discussion designed to "review the parliamentary day". It could be a smart move. The BBC already boasts of "setting the agenda" in the morning with the *Today* programme on Radio 4 which goes out at just about the only time when politicians, top executives and other "opinion formers" are available to listen. Midnight is often the only time that such people manage to see a bit of television, so if *The Midnight Hour* catches on the BBC will be able to claim that they are the gatekeepers at both ends of the political day.

But will it catch on? Launched on the evening of the State Opening of Parliament, it has so far had five weeks of four-day transmissions (Monday to Thursday) and has already improved considerably. For instance, the production team seem, thank goodness, to have ditched the "funny" song illustrating the day's events. This idea is re-invented every time anybody does a studio commentary series but the only times it ever worked were on the *Tonight* programme in 1957 when Cy Grant sang calypsos written by Bernard Levin, and on *That Was The Week* in 1962 when the scat intro was sung by the brilliant Millicent Martin.

The producers of *The Midnight Hour* should now abandon their other security-blanket devices: the fluorescent tube logo which was so trendy in the 1980s, the cocktail bar mini-set guaranteed to make any politician look as though he is about to do a high-stool Dicky Valentine number, and the barmy inlay of a giant tropical fish tank which would hardly pass muster on a yoof series. No image on television is more powerful than a talking head against a black background and that is what they should stick to. Even the gimmick of making the men take off their jackets can be safely dropped; we know within two minutes whether we are watching a genuinely relaxed conversation or a tense and contrived interview.

This depends largely on the skills of the chairman who should, ideally, have been Vincent Hanna. At *Newsnight*, *A Week In Politics* and most recently on Channel 4's *Midnight Specials*, Hanna has developed a technique combining amiable conspiracy and rib-nudging ridicule which is admirably productive with most politicians. He also has a phenomenal memory for political minutiae.

However, *The Midnight Hour* has gone for a different chairman on each of the four nights, the best of them being former *Sunday Times* editor Andrew Neil, and Trevor Phillips, who has done outstanding work as producer and presenter with London Weekend TV. Both are political journalists with considerable broadcasting experience, and although Neil's instincts are those of a political commentator, the squibs he tosses from the chair land pretty well equally in all parts of the political spectrum.

The same cannot be said of Bernard Ingham who looks and sounds like a survivor from a different age, but, worse, seems too often incapable of setting aside his political allegiance. Most tedious of all, he likes to remind us of his old glory days.

Sarah Baxter may one day fill positions of this sort splendidly, but at present she lacks those attributes of a rugby forward which are necessary in these circumstances. It is not a simple question of masculinity – the decidedly feminine Betty Boothroyd has it, as she proved on the night of the dramatic VAT vote when she bawled out MPs for crowding in over the bar of the House and thundered "I don't give a – I don't care where you sit, but you must sit down". And they did.

The Midnight Hour has proved that it can attract cabinet ministers and their shadows, camera pleasers such as Tony Banks, and respected war horses such as Peter Shore. The atmosphere is beginning to feel right, and if they can establish the idea that this is the place to let your hair down after a hard day in the House (a few indiscreet leaks would be handy) this could well become a long term fixture. It is the most interesting post-midnight series for years.

Radio/Martin Hoyle

A 'Loose Ends' for eggheads

Something should be done about Melvyn Bragg, if not *to* him. The rumour is that a producer's *diktat* went out to the effect that he must be more abrasive: if it was the producer who supports Arsenal, as revealed on Monday's *Start the Week*, it merely confirms one's opinion of her judgment.

From a civilised arbiter of argument, coaxing the best from his guests, Bragg has become a bully, slapping down those he disagrees with and giving short shrift to those he considers, not always rightly, to be fools. It is a little like Brian Hayes in his old LBC days, but without the sense of craggy integrity.

There is something innately plush about Melv. He is too comfortable with himself, which makes the discomfort he inflicts on others unacceptable; less a rigorous crusade for truth than mandarin contempt for inferiors. And while Hayes' victims rang in, choosing confrontation, the guests on *STW* have presumably been invited because they have something to say. I would hate to think they were being set up.

On Monday, initial boredom at the prospect of a newspaper journalist telling us why she had given her television away was replaced by outraged sympathy as she was verbally jostled by the assembled company of the media-wise, seldom permitted to make her points in full, and assailed by such intellectual attacks as Melv's dismissive assertion that all the people he knows who say they hate television are very stupid people. So there. Melv is of course a TV magnate, a well-known screen personality and rich with it. No one could call *him* stupid.

Far from dispelling the air of self-congratulation that is turning *STW* into a *Loose Ends* for eggheads, Melv's acerbity accentuates it in some of his guests. P.J. O'Rourke was a disappointment after his writing, the breezy *bonhomme* that one dreads getting cornered by at parties, rolling along on autopilot chuckling facetiousness and woolly generalisations.

But it has been a depressing week for the communicating classes. *Mediumwave* chatted to the British brat-pack of directors who, despite the death of our native film industry, are doing well in Hollywood. *Little Action Men*, every one, saying things like "I want to be very, very rich", not wanting to make films appealing to a minority and boasting of being the first video (i.e. not lettered) generation – well, why not if that's where the future lies? But what became of art? At least Melv is keen on that.

Struggles to communicate have recurred in the Radio 3 programmes on the distaff and the stave, *Pride and Prejudice – a Celebration of Women Composers*. They almost qualify, as a class, for Radio 4's *Scapegoats*. Tuesday's programme featured music and words from Judith Weir, restrained, ironic and articulate on the double handicap of being a serious composer *and* a woman.

Some fascinating sounds, many new to me, from composers *mitteleuropaisch* and points north. But arguing about whether women's music is intrinsically different from men's strikes me as on a par with extracting sunbeams from cucumbers.

We all know that the sexes both bang the big drum these post-Glennie days. It would be interesting to compare the sexes' percussion styles, a thought prompted by Radio 3's artist of the week. James Blades started in cinemas and circuses and ended as a favourite of Benjamin Britten.

Besides showpieces, the week's well-chosen snippets included that ominous passage in *The Turn of the Screw* where the governess muses about her new job and a frantic throbbing underlines her nervousness, tightening the suspense unbearably.

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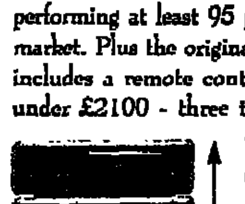

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Dec 21 Until Jan 14 — TCHAIKOVSKY: THE NUTCRACKER English National Ballet Ben Stevenson (choreographer) A magical journey through the dazzling Land of Snow (ruled by the beautiful Snow Queen) across the Lemonade Sea to the fairytale land of Sweets. A glorious celebration of childhood Christmas. Eves: 7.30pm (Matinées at 2.30pm 22 Dec – 2 Jan, 7, 11, 14 Jan) No perfs Sundays. £32, £28, £25, £21, £15, £8 — *ENB/*SBC

QUEEN ELIZABETH HALL

Sat 17 Dec 7.00 — FAMILY CLASSICS ANIMAL BLOCKBUSTERS London Festival Orchestra, Ross Pople (cond) Neil Pearson (narr) Vivaldi Winter (Four Seasons) Saint-Saëns The Carnival of the Animals; Prokofiev Peter and the Wolf. £20, £15, £10 — LFO Ltd

Sun 18 Dec 3.00 — NATIONAL CHILDREN'S ORCH Jacob A Noyse of Minstrels; Vaughan Williams Norfolk Rhapsody; Mussorgsky/R-Korsakov A Night on the Bare Mountain; Camilleri Malta Suite; Tchaikovsky Andante Cantabile; Malcolm Arnold Peterloo. £8, £6, £4 — *NCO

Sun 18 Dec 7.45 — NATIONAL CHILDREN'S ORCHESTRA Colin Metters (cond) Programme includes Berlioz Overture, Roman Carnival; Fauré Pavane; Stravinsky Suite, The Firebird (1919) £10, £7.50, £5 — *National Children's Orchestra

Mon 19 Dec 7.45 — STONELEIGH YOUTH ORCHESTRA Adrian Brown (cond) Karl Pendlebury (pno) Bernstein Overture, Candide; Gershwin Piano Concerto; Bruckner Symphony No.4 (Romantic) £7.50, £5 (concs £4.50, £3.50) — *SYO

Tue 20 Dec 7.45 — CAROLS FOR CHOIR AND AUDIENCE City of London Choir, Hilary Davan Wetton (cond) Jane Watts (piano/organ) £12, £10, £8.50, £6.50 — *City of London Choir

Wed 21 Dec 7.00 — THE SNOW QUEEN with Jane's Minstrels, Roger Montgomery (cond). Professional performers work alongside children in this multi-layered version of the well-loved fairytale. £12.50, £10.50, £8.50, £6.50 — *PLG

Thu 22 Dec 7.45 — CHRISTMAS WITH THE TALLIS SCHOLARS Palestrina Missa Hodie Christus natus est; Byrd Lullaby; motets by Fayrfax, Lassus, Victoria, Hassler & Palestrina. £13, £11, £9, £7.50 — Gimell Records Ltd

Fri 23 Dec 7.45 — CAROLS FOR CHOIR AND AUDIENCE City of London Choir, David Gibson (cond) Jane Watts (piano/organ) £12, £10, £8.50, £6.50 — *City of London Choir

PURCELL ROOM

Mon 19 Dec 7.30 — INSPIRED BY FOLK MUSIC Helene Wold (sop) Ruth-Solveig Steinsland (recorder) Julia Richter (pno) Vegard Lund (guitar) Works by Sommerfeldt, Sibelio, Grieg, Peterson-Berger, Britten, Maid Ishii, Stravinsky. £10, £8, £6 — Kirckman/S Gordon Concert Mgt

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INTERNATIONAL ARTS GUIDE

What's on in the principal cities

AMSTERDAM

CONCERTS

Het Concertgebouw
Tel: (020) 671 8345

- Philipe Herreweghe: with the Freiberger Barockorchestra and the Collegium Vocale Gent conducts Bach at 8.15 pm; Dec 20, 22

Het Muziektheater
Tel: (020) 551 89 22

- Die Fledermaus: by Strauss. Conductor, Ralf Weikert, production by Johannes Schaaf at 8 pm; Dec 17, 20, 24

GALLERIES

Rijksmuseum Tel: 020 673 21 21

- Art of Devotion 1300-1500: major winter exhibition focusing on the spiritual function of objects in the medieval period; to Feb 26 (Not Sun)
- Marbled, Chintz and Brocade Paper: an exhibition of decorated paper manufactured in and imported to the Low Countries in the 17th Century; to Feb 12

Van Gogh Museum
Tel: (020) 570 5200

- Odilon Redon: retrospective of the French artist's work with over 160 paintings, etchings and lithographs from public and private collections; to Jan 14

BARCELONA

GALLERIES

Fundació "la Caixa"
Tel: (93) 404 60 73

- Kandinsky/Mondrian: Two Roads to Abstraction. Exhibition that marks the stylistic evolution of the two painters in their early phases; to Jan 22 (Not Mon)
- The Austrian Vision: a selection of 17 Austrian artists from three generations that represent the different models and main aesthetic positions adopted by Austrian artists over the last 20 years; to Jan 22

Museu Picasso Tel: (93) 319 69 02

- *Picasso's Early Works*: 220 drawings and paintings from the period 1890-1912; to Feb 12 (Not Mon)

BERLIN

CONCERTS

Konzert Haus
Tel: (020) 309 21 02/21 03

- Berlin Symphony Orchestra: conduted by Olaf Henzold plays Dessau, Mozart and Reger at 8 pm; Dec 17, 18
- Radio Symphony Orchestra Berlin: conducted by Hanns-Martin Schneidt, with soloists Katherina Müller, Carolin Masur, Reinhart Ginzel and Matthias Goerne plays Bach and Reger at 8 pm; Dec 23

Philharmonie Tel: (030) 2548 8132

- Berlin Philharmonic Orchestra: conducted by Sir Yehudi Menuhin and with soloist Leonid Gorokhov plays Mozart, Tchaikovsky and Schubert at 8 pm; Dec 19, 20, 21
- Deutsches Symphonie-Orchester Berlin: with pianist Eldar Nebolsin and conducted by Vladimir Ashkenazy plays Chopin and Sibelius at 8 pm; Dec 17, 18

OPERA/BALLET

Deutsche Oper Tel: (030) 3 41 92 49

- Don Giovanni: by Mozart. Conducted by Christian Thielemann, production by Rudolf Noelte at 7 pm; Dec 21, 23 (6 pm)
- Götterdämmerung: by Wagner. Conductor Horst Stein, production by Götz Friedrich at 5 pm; Dec 18
- Rigoletto: by Verdi. Conductor Sebastian Lang-Lessing, production by Hans Neuenfels at 7.30 pm; Dec 20

Staatsoper Unter den Linden
Tel: (030) 2 00 4762

- Die Verurteilung des Lukullus: by Paul Dessau. Conductor Hirsch, production by Berghaus at 8 pm; Dec 18 (3 pm)
- Die Zauberflöte: by Mozart. Conductor Daniel Berenboim, production by August Everding at 7 pm; Dec 20, 23
- La Traviata: by Verdi. Conducted by Rizzi, production by Kirst. In Italian at 7 pm; Dec 17
- The Nutcracker: by Tchaikovsky. Production and choreography by Wainonen/Schatilow at 7 pm; Dec 19, 22

BONN

OPERA/BALLET

Oper Der Stadt Tel: (228) 7281

- Carmen: by Bizet. A new production by Gian-Carlo del Monaco, *with conductor Michel* Sesson. In French with German surtitles at 7 pm; Dec 18, 22 (8 pm)

BRUSSELS

CONCERTS

Philharmonique de Bruxelles
Tel: (02) 507 84 34

- András Schiff: pianist, plays Bach, Reger, Handel and Brahms at 8 pm; Dec 19
- Royal Concertgebouw Orchestra: with pianist Evgeny Kissin and conducted by Sir Georg Solti, plays Beethoven, Bartok and Kodály at 8 pm; Dec 17

GALLERIES

Musée d'Ixelles Tel: (02) 511 90 84

- Gainsborough to Ruskin: British landscape drawings and watercolours from the Pierpont Morgan Library in New York. Includes paintings by Constable, Turner and other 18th and 19th century artists; to Jan 15 (Not Mon)

CHICAGO

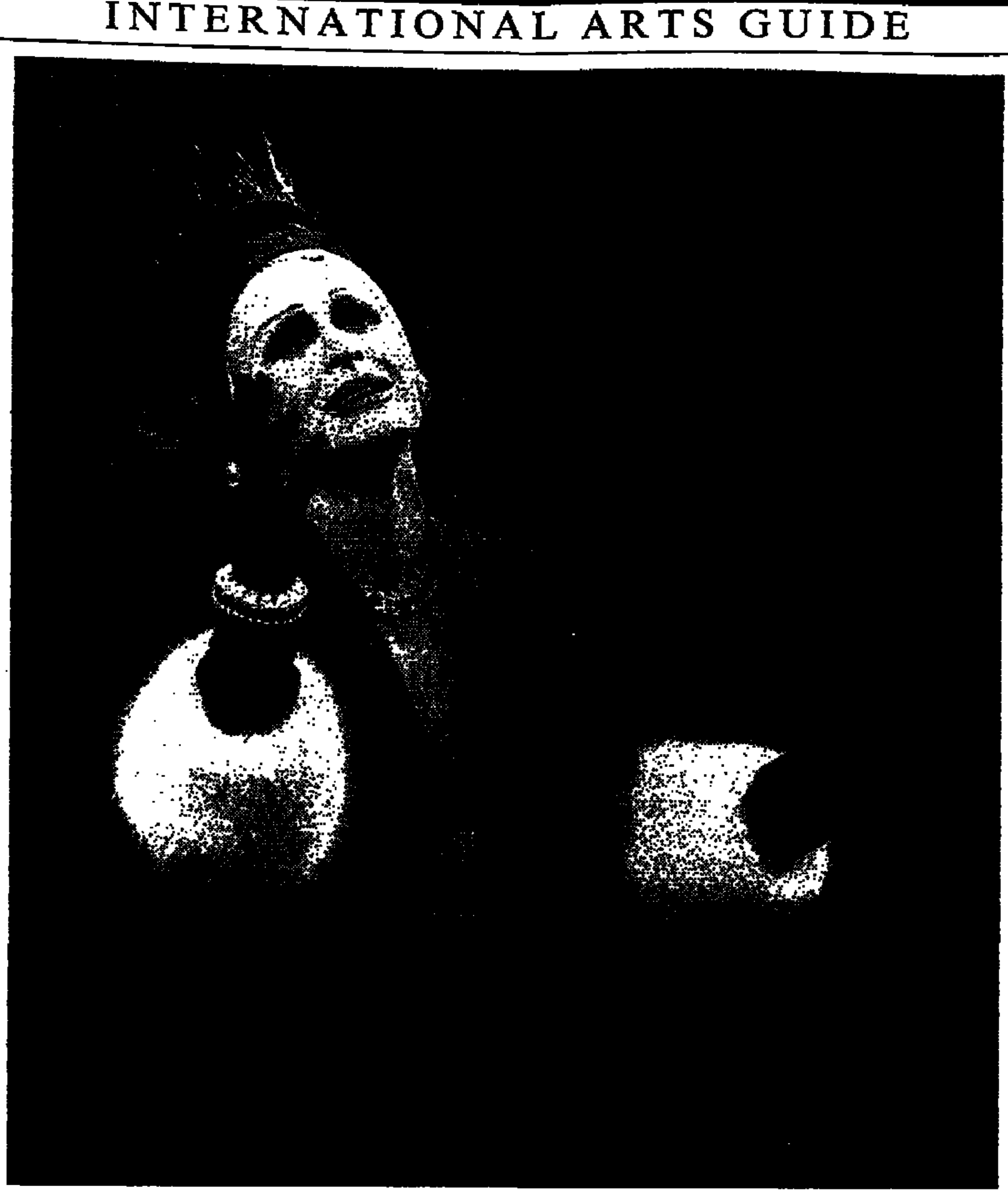
GALLERIES Art Institute
Tel: (312) 443 3600

- Karl Freidrich Schinkel (1781-1841): 100 drawings and prints by the influential German architect; to Jan 2

OPERA/BALLET

Lyric Opera Tel: (312) 332 2244

- Aida: by Verdi. With tenors Lando Bartolini and Kristján Jóhannsson; Dec 17, 21



Glenn Close in a scene from Sunset Boulevard at the Minskoff Theatre in New York

Craig Schwartz Photography

LONDON

CONCERTS.

Barbican Tel: (071) 638 8891

- Royal Philharmonic Orchestra: Christmas concert with conductor Owain Arwel Hughes at 7.30 pm; Dec 20
- The Joy of Christmas: Robert King conducts the Choir New College, Oxford for some traditional Christmas music at 7.30 pm; Dec 22

GALLERIES

Hayward Tel: (071) 261 0127

- Romantic Spirit in German Art 1790-1990: examines work of early Romantic painters. Includes section on German Expressionists; to Jan 8

ICA Tel: (071) 930 3647

- The Institute of Cultural Anxiety: works of art and science by young British artists such as Angela Bulloch, Liam Gillick alongside works by more established artists such as Jeff Koons and Julian Opie; to Feb 12

National Portrait Tel: (071) 306 0055

- Christina Rossetti: an exploration of the Victorian poet on the centenary of her death; to Feb 12
- The Sitwells: the arts of the 20's and 30's through the eyes of the Sitwells; to Jan 22

Royal Academy Tel: (071) 439 7438

- The Painted Page: Italian Renaissance Book Illustrations from 1450-1550; to Jan 22

Serpentine Tel: (071) 402 0343

- Rebecca Horn: major exhibition of works by the German artist including, 'Kiss of the Rhinoceros'; to Jan 8

Tate Tel: (071) 887 8000

- James McNeill Whistler: major survey of the Victorian painter and designer; to Jan 8

Victoria and Albert
Tel: (071) 938 8500

- Streetstyle: tribal dress codes from Harlem in the 40's to new age travellers in the 90's; to Feb 19

OPERA/BALLET

English National Opera
Tel: (071) 632 8300

- Figaro's Wedding: in house debut for conductor Derrick Inouye at 7 pm; Dec 17

Festival Hall Tel: (071) 928 8800

- The Nutcracker: by Tchaikovsky. English National Ballet and its Orchestra choreographed by Ben Stevenson at 7.30 pm; from Dec 21 to Jan 2 (Not Sun)

Royal Opera House
Tel: 071 340 4000

- Ashton Remembered: celebration of the Royal Ballet founder choreographer Fredrick Ashton. Includes pieces by Mendelssohn, Offenbach, Massenet and Walton at 7.30 pm; Dec 17 (2 pm)
- Cinderella: music by Prokofiev. Created by Fredrick Ashton in 1948, this was the first full-length ballet by an English choreographer at 7.30 pm; Dec 23 (2 pm)
- La Traviata: by Verdi. A new production by Richard Eyre. Georg Solti conducts for the first five performances, then Phillipe Auguin. In Italian with English surtitles at 7.30 pm; Dec 19
- The Sleeping Beauty: a new production of Tchaikovsky's ballet. Produced by Anthony Dowell, set designed by Maria Bjornson at 7.30 pm; Dec 20 (2 pm) , 21, 22

THEATRE

Barbican Tel: (071) 638 8891

- New England: World premiere of Richard Nelson's new play. No performance 12-15th Dec., otherwise at 7.15 pm; to Dec 29 (Not Sun)

Gielgud Tel: (071) 494 5065

- Hamlet: by Shakespeare. Directed by Peter Hall, designed by Lucy Hall. With Stephan Dillane, Michael Pennington, Donald Sinden and Gina Bellman at 7.15 pm; to Feb 4 (Not Sun)

Haymarket Tel: (071) 930 8800

- Arcadia: by Tom Stoppard, directed by Trevor Nunn. Two present day historians investigate a possible scandal involving Lord Byron at 7.30 pm; (Not Sun)

National, Cottesloe
Tel: (071) 928 2252

- Two Weeks with the Queen: adapted by Mary Morris from the novel by Morris Gleitzman. Alan Aykbourne directs at 7.30 pm; Dec 17 (2.30 pm) , 19, 23

National, Lyttelton
Tel: (071) 928 2252

- Broken Glass: a new play by Arthur Miller, directed by David Thacker at 7.30 pm; Dec 19, 20, 21, 22 (2.15 pm)
- Out of a House Walked a Man: by Daniil Kharms. A Royal National Theatre and Theatre de Complicite co-production of a collection of musical scenes by the Russian absurdist writer at 7.30 pm; Dec 23
- The Children's Hour: by Lillian Hellman, directed by Howard Davies at 7.30 pm; Dec 17 (2.15 pm) , 19

Palladium Tel: (071) 494 5020

- Oliver: produced by Cameron Mackintosh, directed by Sam Mendes. Cast includes Jonathon Pryce, Sally Dexter and Miles Anderson at 7.30 pm; (Not Sun)

Strand Theatre Tel: (071) 930 8800

- The Prime of Miss Jean Brodie: by Muriel Spark, adapted by Jay Presson Allen, directed Alan Strachan. Miss B. played by Patricia Hodge at 7.45 pm; to Feb 25 (Not Sun)

Wyndhams Tel: (071) 369 1736

- Three Tall Women: by Edward Albee, directed by Anthony Page. With Maggie Smith, Frances de la Tour and Anastasia Hille at 8 pm; (Not Sun)

MUNICH

GALLERIES

Kunsthalle der Hypo-Kulturstiftung

- *Paris-Belle Epoque*: An evocation of the period from 1880 to 1910, with paintings, drawings, posters, photographs, glass and furniture; to Feb 26

NEW YORK

GALLERIES

Brooklyn Museum
Tel: (718) 638 5000

- Indian Minature Paintings: 80 jewel-like paintings from the 15th -19th century; to Jan 8 (Not Mon)

Guggenheim

- The Italian Metamorphosis 1943-1968: a survey of visual arts in the postwar period; to Jan 22

Metropolitan

- Ann Hamilton: exhibition reveals the artist's interest in the relationship between sight and touch; to Jan 3
- Early Renaissance Florence: 100 panel paintings and manuscript illuminations by masters of the Gothic style; to Feb 26 (Not Mon)
- Origins of Impressionism: 175 paintings by Parisian artists of the 1860's; to Jan 8 (Not Mon)
- Thomas Eakins: exhibition honoring the 150th anniversary of the birth of the artist. This installation of about 30 works from the museums holdings explores the museums continuing interest in Eakins; to Feb 26
- William de Kooning's Paintings; to Jan 8 (Not Mon)

Museum of Modern Art
Tel: (212) 708 9480

- A Century of Artists' Books: Exhibition of 140 books from some of this century's foremost artists; to Jan 24
- Cy Twombly: Comprehensive retrospective of the contemporary American artist; to Jan 10

Whitney Museum

- Franz Kline: Black and White 1950-61: major Abstract Expressionist works from the last decade of the artist's life; to Mar 12

OPERA/BALLET

Metropolitan Tel: (212) 362 6000

- Die Fledermaus: by J. Strauss. Sung in German with English dialogue at 8 pm; Dec 22
- Don Giovanni: by Mozart, sung in Italian at 8 pm; Dec 20, 24 (1.30 pm)
- Madama Butterfly: by Puccini at 8 pm; Dec 17, 21
- Peter Grimes: by Britten. English at 8 pm; Dec 19, 23
- Rigoletto: by Verdi at 8 pm; Dec 17

New York State Theater
Tel: (212) 870 5570

- The Nutcracker: by Tchaikovsky, performed by the NY City Ballet. Tue-Thu 6pm. Fri 8 pm. Ring for other times and matinees; to Dec 31 (Not Mon)

THEATRE

Manhattan Theatre Club
Tel: (212) 581 1212

- Love! Valour! Compassion!: latest play by Terence McNally (of Kiss of the Spiderwoman fame), directed by Joe Mantello. Sun. performance at 7pm otherwise at 8 pm; to Jan 1 (Not Mon)

Minskoff Theatre
Tel: (212) 307 4007

- Sunset Boulevard: directed by Billy Wilder, music by Andrew Lloyd Weber. Finally arrived in New York with Glenn Close playing Norma Desmond at 8 pm; (Not Mon)

Plymouth Theatre
Tel: (212) 239 6200

- Passion: music and lyrics by Stephen Sondheim. Winner of four Tony awards at 8 pm; (Not Sun)

Promenade Theatre
Tel: (212) 239 6200

- Three Tall Women: Edward Albee's Pulitzer Prize winning drama about a 92 year old widow contemplating her life. Sun. 3pm, otherwise at 8 pm; (Not Mon)

Shubert Theatre Tel: (212) 239 6200

- Crazy for You: by Ken Ludwig, *directed by Mike Ockrent*. Tony award winning musical loosely based on Gershwin's Girl Crazy at 8 pm; (Not Mon)

Vivian Beaumont
Tel: (212) 239 6200

- Carousel: revival of the 1945 Rodgers and Hammerstien musical at 8 pm; (Not Mon)

PARIS

CONCERTS

Champs Elysées
Tel: (1) 47 23 37 21/47 20 08 24

- French National Orchestra: Jeffrey Tate conducts Beethoven Symphonies Nos. 2 and 3 at 8 pm; Dec 17
- The Messiah: by Handel. Conductor William Christie, soloists Danceman (soprano), Bardon (alto), Burdon (tenor) and Berg (bass) at 7.30 pm; Dec 18

GALLERIES

Grand Palais Tel: (1) 44 13 17 17

- Gustave Caillebotte: retrospective of the painter and patron of art who belonged to the circle of impressionists; to Jan 9
- Poussin: 400th anniversary retrospective; to Jan 2

Instut du Monde Arabe
Tel: (1) 40 51 38 38

- Delacroix in Morocco: Delacroix's visit in 1832, when he was 34, made a lasting impression on his art; to Jan 15 (Not Mon)

Louvre Tel: (1) 42 60 39 26

- British Art in French Public Collections: paintings by Gainsborough, Reynolds, Constable, Lawrence and Turner. Closed Tue.; to Dec 19

Musée d'Art Moderne, Ville de Paris
Tel: (1) 47 23 61 27

- André Derain: 350 works spanning his entire career; to Mar 19 (Not Mon)

Musée d'Orsay
Tel: (1) 45 49 11 11

- Forgotten Treasures from Cairo: a rich collection of works by Ingres, Courbet, Monet, Rodin, Gauguin and others; to Jan 9 (Not Mon)

OPERA/BALLET

Châtelet Tel: (1) 40 28 28 40

- Christina Hoyos: Flamenco choreographed by Hoyos, Marin and Galia, music by Paco Arrigas at 8.30 pm; from Dec 22 to Jan 7

Champs Elysées Tel: (1) 47 23 37 21/47 20 08 24

- Casse-noisette: Tchaikovsky's ballet performed by the Kirov ballet company, St. Petersberg at 8.30 pm; Dec 22, 23
- La Fontaine de Bakchisaraï: ballet by the Kirov company, St. Petersberg at 8.30 pm; Dec 20, 21

Opéra Comique Tel: (42 96 12 20

- Une Petite Flute Enchantee: Mozart's Magic Flute. Matinee on 23/12 at 2.30 pm at 7.30 pm; Dec 21, 22, 23

Opéra National de Paris, Bastille
Tel: (1) 47 42 57 50

- Le Lac des Cygnes: by Tchaikovsky. Choreographed and produced by Rudolf Noureev. Conducted by Vello Pähn/Ermanno Florio at 7.30 pm; to Dec 31 (Not Sun)

ROME

OPERA/BALLET

Teatro Dell' Opera Tel: (06) 481601

- Cronache Italiane: ballet in two parts based on work by Stendhal at 7 pm; Dec 18, 20, 21, 22, 23

TURIN

OPERA/BALLET

Teatro Regio Tel: 011 8815 241

- Lo Schiaccianoci: ballet in three parts by Tchaikovsky. Performed by the Kirov company, St Petersburg. Sun mat only at 3 pm; to Dec 18 (Not Mon)

VIENNA

GALLERIES

Kunsthalle

- Oskar Schlemmer: a comprehensive survey of work by the Bauhaus artist. Closed Tue; to Jan 29

WASHINGTON

CONCERTS

Kennedy Centre Tel: (202) 467 4600

- Black Nativity: Langston Hughes's retelling of the Christmas story through gospel music and dance at 7.30 pm; from Dec 20 to Jan 1
- Choral Arts Society of Washington: seasonal music conducted by Norman Scribner at 7 pm; Dec 18 (5 pm) , 23 (2 pm)
- National Symphony Orchestra: perform Handel's Messiah. With conductor Peter Bay, soprano Janice Chandler and mezzo-soprano Stephanie Blythe at 8.30 pm; Dec 17, 18, 19
- National Symphony Orchestra Pops: concert of favourite Christmas songs by jazz singer Mel Tormé at 7 pm; Dec 20
- Oratorio Society of Washington: more seasonal music conducted by Robert Shafer at 8.30 pm; Dec 17 (5 pm) , 22
- Paul Hill Chorale: conducts some seasonal favourites at 8.30 pm; Dec 18, 22 (5 pm)

GALLERIES

National Gallery Tel: (202) 737 4215

- Italian Renaissance Architecture: Brunelleschi, Sangallo, Michelangelo, the Cathedrals of Florence, Pavia and St. Peter's; from Dec 18 to Mar 19
- Roy Lichtenstein: A survey spanning four decades of the American Pop artist; to Jan 8

Sackler Tel: (202) 357 2700

- Landscape as Culture: Lois Conner travels through Asia recording architecture and landscapes with her 100 year old banquet camera; to May 30
- Paintings from Shiraz: the arts of the Persian book created in the city of Shiraz during the 14th -16th century; from Dec 24 to Sep 24

OPERA/BALLET

Kennedy Centre Tel: (202) 467 4600

- The Nutcracker: music by Tchaikovsky. Presented by the Joffrey Ballet, choreographed by Robert Joffrey. No show Dec. 12th, mats at 2pm otherwise at 8 pm; to Dec 17

THEATRE

Arena Stage Kreeger Theater
Tel: (202) 554 9066

- Misalliance: by Bernard Shaw, directed by Kyle Donnelly; to Jan 8

Ford's Theater Tel: (202) 347 4833

- A Christmas Carol: Charles Dickens' classic directed by David Bell;

Gunston II Tel: (703) 418 4808

- An Evening with Tom Stoppard: a series of three one act plays by the British playwright presented by the Washington Shakespeare Company at 8 pm; to Dec 17

WOLFSBURG

GALLERIES

Kunstmuseum Tel: (05361) 26690

- Bart van der Leck: wide and representative selection of work from the early 20th century artist who made the transition from figurative painting to geometrical abstraction; to Feb 26 (Not Mon)
- Gilbert and George: Shitty Naked Human World. Exhibition of the 1986 Turner Prize winners evolution since 1977, and includes first showings from a new series; from Dec 18 to Mar 12 (Not Mon)

ZURICH

GALLERIES

Kunsthaus Zürich

- Degas-The Portraits: a major new exhibition on the portraits of Edgar Degas; to Mar 5

CHESS

Garry Kasparov finally won in the Moscow olympiad when Russia met France in the seventh round. Kasparov's opponent was Joel Lautier, a brash young Parisian who had humiliated the world no 1 earlier in the year at Linares.

When they met in Moscow, Lautier launched a provocative Sicilian Defence line which Kasparov had brilliantly routed against Kramnik at Novgorod. It was naive of Lautier to think that the Russian would repeat his previous strategy and wait for the French homework (G Kasparov, White; J Lautier, Black; Moscow olympiad 1994).

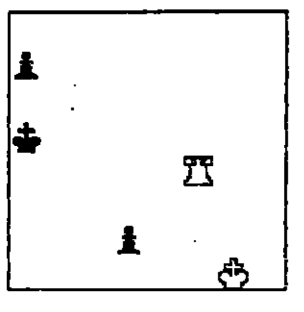
1 e4 c5 2 Nf3 e6 3 d4 cxd4 4 Nxd4 Nf6 5 Nc3 Nc6 6 Ndb5 d6 7 Bf4 e5 8 Bg5 a6 9 Na3 b5 10 Nd5 Be7 11 Bxf6 Bxf6 12 c3 0-0 13 Nc2 Rb8 14 h4! Kasparov's patent, which stops Bg5, meets Bxh4 by Qh5, opens up play for White's h1 rook, and gives the option of pushing to h5 and h6. **Ne7 15 Nxf6+ gxf6** All this was known from Novgorod, where 16 Bd3 d5 17 exd5 Qxd5 18 0-0-0 e4 19 Be2 Qxa2 20 Qh6 won for Kasparov.

16 Bd3! d5 17 exd5 Qxd5 18 Ne3 Qe6 19 Qh5 White has transferred his Q to the K-side faster, and has avoided exposing his a2 pawn.

e4 20 Be2 b4 21 c4 Kh8 22 0-0-0 f5 23 Qg5 Rb6 This cumbersome rook manoeuvre suggests that Black's opening has gone badly wrong. Pushing the a6 pawn to a3 looks better, to create a target at b2.

24 h5 Rc6 25 Kb1 Rc5 26 h6 Qe5 27 Rh5 Rg8 28 Ng4! Resigns. A typically incisive Kasparov finish. If Rxg5 29 Nxe5 Rxh5 30 Rd8+ Ng8 31 Nxf7 mate, or 28 . . . Qe6 29 Rd8! Ng6 (Rxd8 30 Qg7 mate) 30 Rxg6+ Kxg8 31 Qd8+ Nf8 32 Rg5+ and wins.

No 1052



A series-helpmate in 17 moves (by N Sikdar, 1994). Black makes 17 successive moves, neither moving into nor delivering check, and then White mates in one.

Solution, Page XVI

Leonard Barden

BRIDGE

Step-by-Step Signalling, by Mark Horton (Batsford £8.99), will do much for your defence.

N
♠ Q J 9 6
♥ Q J 5
♦ K J 10 2
♣ K 8

W	E
♠ K 2	♠ 8 7 5 3
♥ K 9 6 4 2	♥ 10 8 3
♦ 8 7	♦ A 9 6
♣ J 5 4 2	♣ Q 6 3

S
♠ A 10 4
♥ A 7
♦ Q 5 4 3
♣ A 10 9 7

South deals and bids one no-trump. North says two clubs. South re-bids two diamonds. North jumps to three no-trumps. All pass.

West leads the heart four, covered by knave. What should East play? There are three basic signals:

- Count, signalling how many cards you hold in the suit.
- Attitude, telling your partner whether you like his lead.
- Suit preference (not relevant in this hand).

East-West are employing count so East drops the three, telling West he has an odd number of cards in the suit, one or three. It cannot be one, since South denied a four-card major. Declarer finesses the spade queen. West wins and, knowing East had three hearts, plays the two, drawing South's ace. Declarer cannot make his contract without playing on diamonds. East takes the first lead with his ace. A heart return defeats the contract.

Yes, you say, but if East-West are playing Attitude, East also drops the three. True, but he would do this if he had only two cards, 10 and three and a heart return be fatal, allowing dummy's queen to score.

■ CORRECTION: The bidding of question four of last week's quiz should have read:

N	E	S	W
1♦	–	1♠	–
3♦	–	3NT	–
–	–		

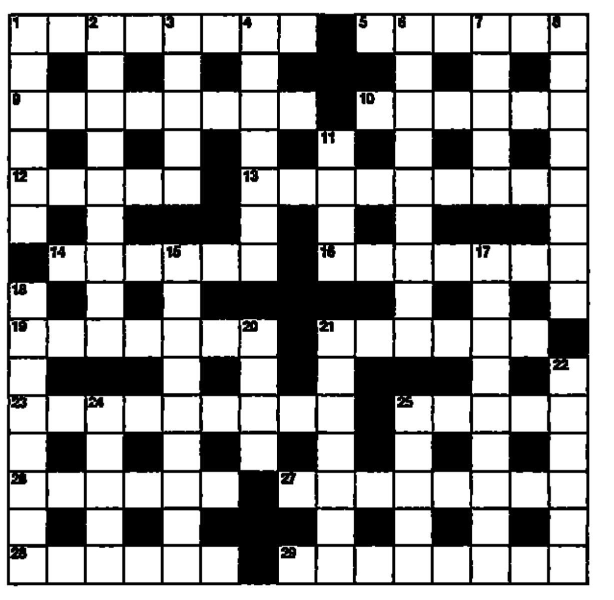
Deadline for entries is now December 22.

E.P.C. Cotter

CROSSWORD

No. 8,639 Set by DINMUTZ

A prize of a classic Pelikan Souverän 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday December 28, marked Crossword 8,639 on the envelope, to the Financial Times, 1 Southwark Bridge, London SE1 9HL. Solution on Saturday December 31.



Name...

Address...

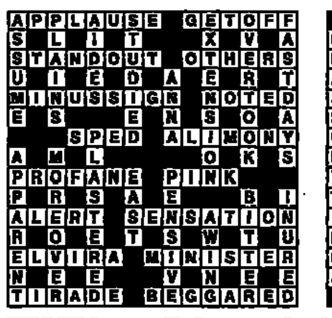
ACROSS

1 Running amok, what sort of weapon to use? (8)
5 Some pop a question that *is* obscure (6)
9 . . . . . he does not know the answer with certainty, acting so strangely (8)
10 Whistler, for example, almost an entertainer? (6)
12 Suggest I am to carry on (5)
13 Conciliator without energy as a leader in the field (9)
14 Empty tin into storage container (6)
16 Heir to a throne had up, in trouble (7)
19 *Reportedly foil* a fast cat (7)
21 Laboratory vessel for the counter? (6)
23 Modest oil output in the Italian range (9)
25 Keynote of the Meistersinger? (5)
26 Exact instant (6)
27 Ruined stock Rex put out (8)
28 Housman's ruddy thing, twice-bitten? (6)
29 Lawyer attending knightly contest that is non-U (8)

DOWN

1 Kind of square perfecto, say, upside down could be calamitous (6)
2 See new moon glide like an aircraft (9)
3 Gets extremely tickly rash (5)
4 Fast runner to beat favourite? (7)
6 Outstanding balance-sum (9)
7 Characteristic half-quip to provoke (5)
8 Exalt her nonet composition (8)
11 Cutting a number of detectives (4)
15 Climbing aid for 2? (9)
17 Rugby player in multicoloured tights? (9)
18 Impractical tutor (8)
20 Have no stomach for hospital tea, possibly (4)
21 What is needed when engine conks out? Reserve fund and skill! (2-5)
22 Guard transported by rail (6)
24 Clean break with cavalry weapon (5)
25 Capital all right in toy production? (5)

Solution 8,638



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E		S				E		N		S		O		A
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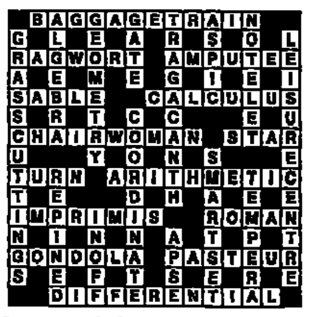
Solution 8,627



	B	A	G	G	A	G	E	T	R	A	I	N		
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WINNERS 8,627: H. Sweeney, Southport; A. & G. Bates, Micheldever, Hants; K.J. Burke, Hanley, Stoke-on-Trent; A.M.D. Gleeson, Bretton, Peterborough; T.A. Pickard, Axminster, Devon; Janet Reed, Ainsdale, Merseyside.

Peter Aspden

The monks' empty glass cabinet

The missing Codex Sinaiticus sits in London. But should it be returned to its original home?

This is a tale of two libraries. They are thousands of miles apart, but united in their respect for scholarship and reverence for the written word. They both, in their own way, contain awesome collections of manuscripts and richly repay the effort of a visit. I have seen both in the past week and, in the course of my travels, heard for the first time the sad story of the Codex Sinaiticus.

The first visit was to the library of the Greek Orthodox monks of St Catharine's monastery at the foot of Mount Sinai. The location is, as promised in the ever-thickening piles of tourist brochures, spectacular, the 6th century church radiant with early Byzantine splendour.

The library, said our guide from the monastery, was laden with riches from the early years of Christianity; but the jewel of their collection was missing. He pointed to a glass case in the corner containing a few sheets of parchment with Greek writing on them. A poorly-taken photograph was stuck on the cabinet with Sellotape. It showed what should have been inside: the Codex Sinaiticus, a 4th century bible regarded as one of the three most important early versions of the holy book in existence.

Our guide, more in sorrow than in anger, told us the monks' side of the story. The Codex was borrowed by a 19th century German scholar, Constantine Tischendorf, who promised he would bring it back to its proper home. The letter in which he made his pledge hangs on one of the church walls. Instead, the Codex ended up in the hands of the Russian Tsar in St Petersburg. There it remained until the Soviet government, which unsurprisingly had little use for the tome, sold it to the British Museum in 1933, reputedly to help pay for the restoration of its embassy in London. The monks' glass cabinet, in the meantime, has remained empty.

And so, a few days later, I visited my second library; not, strictly speaking, a library at all, but room 30 of the British Museum in London, which contains a staggeringly valuable collection of original documents and volumes: Chaucer's *Canterbury Tales*, the Slavonic *Gospels*, Haydn's Drum-Roll symphony; even a letter from John Lennon, bless him, to his old mucker Stuart Sutcliffe.

And there, in an unobtrusive corner, the Codex Sinaiticus, next to the Codex Alexandrinus, not too far from Nelson's Memorandum and a germ's leap away from the culture plate on which Fleming discovered penicillin – odd bedfellows to be sure, but part of the eclectic charm of the place, I suppose.

I ranted to myself (and to a startled shop assistant) about the evils of cultural imperialism and suddenly hated this cultured corner of Bloomsbury which has caused so much distress round the world. But I instinctively felt on dodgy ground. And so it proved.

The British Museum side of the story, as expressed in one of its books, soon clears away the smokescreen of sentiment. Tischendorf, according to their sources, actually rescued the pages of the Codex from being incinerated by the monks for winter fuel. He then persuaded them to present the book to the Tsar in appreciation of the protection of Holy Russia, in order to safeguard it.

The guide in the monastery had heard the argument, and duly rubbished it ("How, then, did we manage to keep it in perfect condition for 15 centuries?"). But I spoke to a couple of authorities in the field who confirmed my worst fears. The monks of St Catharine's at that time, it seems, cared as much for their treasures as for a sack of coal. Their attitude to antiquity, one of them told me, showed "an irresponsibility that beggars description".

But that is not the end of the story; for today's monks are very aware indeed of the value of their collection, and assure us that they know exactly how to look after it. The rules of the game are different. Tourists are beginning to flock to Sinai as they have traditionally flocked to Bloomsbury, they listen to the monks' plight, they curse Europe's cynical plunderers. The British Museum is finding it more and more difficult to play the straight bat of rightful ownership; and rightly so. For possession is only nine-tenths, after all, and when did the law ever capture hearts and change minds anyway?

Private View

Territorial champion

Christian Tyler meets Jacques Blanc, the new president of the European Committee of the Regions

Reuter

Give him an audience, and Jacques Blanc is airborne. Put him in front of a home crowd, and he will stay aloft for an hour. I first witnessed the aerodynamic talents of the mayor of La Canourge (pop. 2,000) at a wine-growers' banquet in Narbonne in the French Midi.

Surfeited on oysters and bubbly, 500 guests had listened with indifference to the exertions of a wine-glass percussionist. Politely they had applauded the caped *caballero* who pranced among the tables on a white stallion. But when Blanc took the stage to tell them what they wanted most to hear – that they could once again become world-beating viticulturists – they responded with intoxicated roars.

Wine is serious politics in the Languedoc-Roussillon region of which Blanc is serving his second term as council president. And wine is the theme he often uses to explain his new role as president of the European Committee of the Regions, a Maastricht creation set up this year.

One of the pushiest politicians on the French right wing, the 55-year-old Blanc brings the same aerated rhetoric to the committee's proceedings. Yet even political adversaries concede that he is a smart operator. Never still, rarely silent, he has ambition written all over him.

There were cries of "Stitch-up!" when Blanc won the presidency of the committee in March. The Socialists had two candidates, Pasqual Maragall of Barcelona and Charles Gray of Strathclyde; they decided to run Maragall in order not to split the Left vote.

According to Blanc, Maragall did a deal with the favourite, the Christian Democrat prime minster of Flanders, Luc van den Brande. "It was designed to kill me," he said. "But I won." Meanwhile, opponents claimed, Blanc had done a deal with Maragall whereby if they led the ballot, they would swap the two top jobs in 1996.

Over a stylish but workmanlike lunch with members of his entourage in Brussels I asked Blanc why he had wanted the job so much.

"You underestimate the importance of the committee," he replied. "It is always interesting for a politician to head a brand-new organisation." The committee of 189 elected politicians, ranging from regional barons to municipal captains, is a diluted version of the body first envisaged. The Germans once talked of it as a second chamber of the European parliament.

Blanc says its consultative function is still enough to give it great influence over the life of Europe. "To establish a new political reality in Europe – there aren't many people who could do that. I consider that next to the President of the Commission, of the Parliament and of the Council of Ministers this is the most interesting job."

But you are still mayor of La Canourge?

"I am the mayor, and I invite you to play golf," he said with a flash of teeth.

What do the villagers of La Canourge think you do in Brussels?

"First, they are quite proud. Second, my region and my town are among the priority development zones and therefore they think Europe has brought them money. Also that it helps them sell their agricultural products. They think I am in Brussels too often. But they forgive me." He leant back with a satisfied laugh.

What do you do every week?

"I am saving Europe from despair." He laughed again.

Jacques Blanc started life as a doctor, like his father, and worked as a general practitioner in La Canourge. His *curriculum vitae* claims he was also a neuropsychiatrist specialising in the treatment of handicapped children.

Why did you take up psychiatry?

Blanc gave his usual answer. "Because it's always interesting to study the reactions of men – and women." Here he winked.

I recalled a fellow committee member saying that one thing Jacques Blanc could *not* be accused of was paying too close attention to other people's views. Now Blanc smiled and said: "I think I was a very good generalist and a very bad psychiatrist. I'm not mad enough to be a good psychiatrist."

He went into politics because his Lozère region was turning into a desert. Now it had registered the first population gain in 100 years. "I am very proud of that result, and Europe has contributed."

From local councillor and mayor, Blanc ascended to the national parliament, was secretary-general of Valéry Giscard d'Estaing's Republican Party and briefly Minister of Agriculture. When I asked him whether he thought of himself as a still-rising star, or whether he had reached a plateau, he said:

"I think a pleasant plateau. I'm not a candidate for the presidency of France."

Peaceful for the most part, Blanc's committee was torn apart last month when it chose to give an opinion on reforming the wine market. Spanish and Mediterranean members, who fortify their wine with concentrated grape "must", almost came to blows with the Germans, who use sucrose.

Blanc may have thought he had disarmed north-south tension by announcing, even before his election, that he would appoint Dietrich Pause, a gentle-mannered German, as his chief official (the job the Germans wanted). He would not admit to me that he had made a gaffe, but smoothly declared that although the debate had been fierce there had been "elements to satisfy both sides".

How can regions agree on anything, I asked, when they are in competition for EU money?

"It's the essence of Europe to try to overcome what separates the different entities and try to agree a common line," Blanc replied. This had been achieved on such important topics as regional aid (the cohesion fund) and strengthening the devolution of power (subsidiarity).

The fact that you have large and small authorities on the committee must be a problem.

"It could have been a blockage and I think most of my success is that I have prevented it. And why? Because I am at the same time – forgive my lack of modesty – a big one and a small one, president of a real region and mayor of a small commune as legitimate as the mayor of Rome or Athens.

> It's the essence of Europe to overcome differences and try to agree a common line

"For me there is no big, no small – only the elected representative, anointed by the voters."

The mandate of the committee will be renewed at next year's post-Maastricht negotiation. Blanc hopes to achieve full autonomy from the economic and social committee with which he has to share administration and paper clips. He says he does not want control of EU funds.

Don't your electorates think you have money to give them?

"The distribution is conditioned by choices higher up. So if we influence the big decisions, without ourselves opening the sluice we can have a say in the water that flows. It is better to be at the source where the great flood is than at the little *pipi* end of the tap." He laughed.

Is there a danger the committee will encourage separatism? "No."

Why do people say they are afraid of it? "Because they haven't understood what regions are. I believe, on the contrary, that regionalism is the antidote to separatism.

"I, who am from a centralised nation and defend the nation state, am not at all bothered by being also spokesman of a region. I'll do it my way. I think regionalism is the best answer to the complex problems we have in all our countries, simultaneously reconciling respect for the state, the grand European design, and the needs of identity."

Nor, he said, did his committee present any kind of threat to the directly elected Euro-MPs. "That is not the way to look at it. It's a question of complementarity. Euro-MPs have a European mandate. We are elected to exert territorial influence on policy."

But will regions one day, in the distant future, under a federal government, be more important than nation states?

"No. I don't think so. Whether we like it or not, the way chosen is a Europe of nation states, with, of course, all the different levels that constitute them."

Lunch was not over, and Blanc had about 20 minutes in which to catch a flight to Paris. "No," he added, starting up from his chair and taking a last slurp of coffee, "the problem of our democracies is that the citizens don't feel close to those who take the decisions. We have to rediscover that proximity."

An aide passed him his coat and briefcase. "And when I see sometimes how some of our friends (he seemed to be referring to the Germans) get stuck over a comma, it shows they have misunderstood the role of the committee.

"When you are a legislator, a word is very important. But when you are being consulted, it is not the word or the comma that matters, it is the spirit which blows through it."

With that, Jacques Blanc stretched out a hand and blew from the room.

As They Say in Europe / James Morgan

Grand contradiction hits 50

This weekend marks the fiftieth anniversary of *Le Monde*. At least the paper first appeared on the December 18, 1944, even though it was dated the 19th, a practice which continues to this day. It is hard on those who want to know last night's football results, but *Le Monde* wishes to discourage that kind of reader anyway.

It began life – on the presses of a daily which had been soiled by collaboration – almost simultaneously with another, tattier, Paris daily, *France-Soir*. But whereas *France-Soir* celebrated its 50th birthday last week with a commemorative edition, *Le Monde* had to mark its anniversary rather more grandly.

Three months ago there was an article called "Héritage", making its readers aware that a seminal event was to occur before the next solstice: there was to be a "colloquium" under the auspices of Unesco. It made the Anglo-Saxon heart sink.

So, on December 6, the Unesco colloquium took place. It was subtitled "Reinventing the press". The invitations were inscribed with a remark taken from Balzac: "If the press did not exist it would not be necessary to invent it." Up until the moment I read that, I had had a moderately high regard for Honoré de B, but as a coiner of witty phrases he plainly ranks little higher than the 17th-century aphorist, the duc de La Rochefoucauld, and somewhere below the noted English idiot, Bertie Wooster.

The press exists because people exist. Newspapers appeared as soon as the technical means were available. Almost everybody has produced newspapers: the Nazis had the *Völkischer Beobachter*, the communists, *Pravda*. In London there is *The Sun* and there is the *Financial Times*. There is *Ouest France* from West France, the *Manchester Union-Leader* from New Hampshire, and the *Barnes and Mortlake Herald* from Barnes and Mortlake.

Some exist to spread lies and hatred, some to appeal to a narrow range of narrow minds, some to tell of new parking regulations on Church Road and some to tell their readers what they need to know.

Fortunately, few of the contributions to the colloquium took much notice of Balzac. Instead the reader learnt of the duties of the press – "to try to operate the difficult synthesis between justice and liberty", or its aims – to make more money, or to give primacy to information over rumour.

This provides a perfect reflection of *Le Monde*. It is a paper of enormous pretensions that does a very good job by keeping its readers informed on diverse topics. It genuflects before every modish fashion while providing a critical eye on what is going on. It maintains the appearance of heterodoxy while not really opposing the state.

Sometimes the contradiction, as during the *événements* of 1968, for example, becomes too much. But *Le Monde* would never question the main policy foundations of the French state – quitting Nato, the reliance on nuclear weapons and nuclear power, or the hijacking of trade policy by peasants.

More than a quarter of a century ago, I went to a seminar on Africa in London where the main speaker was a *Le Monde* correspondent who lectured the participants on the politics of the francophone states. It was an undiluted apology for French policy in the region. When asked why we were being fed this line, the man from *Le Monde* said, "Of course, I would not talk like this at a Gaullist meeting in Paris."

The paper annoys its English-speaking readers by mixing news and comment in a manner that makes the *Daily Mail* seem objective, and yet it is able to provide breathtaking insights. I recall many years ago, following a three-part series on North Korea, of all places, with an enthusiasm normally reserved for the denouement of a soap opera.

Le Monde is a co-operative of a kind. It harbours many different talents – those who think themselves the descendants of Montesquieu, those who think they are international lawyers and some brilliant journalists. There is even the occasional genius, like the former rugby correspondent, Jean Lacouture, and the cartoonist, Plantu.

Today, it is not what it was in the 1960s. Then, no youthful intellectual, from Quebec to Kinshasa, could be seen without the obligatory copy of *Le Monde*. It is not the institution it once was, but it is a better paper. And next month it is to have a new format – does that mean photographs?

But over the 50th anniversary hangs the shadow of the losses to which, at times, *Le Monde* seems doomed. The press will not disappear, but individual newspapers can and do. *Le Monde* is one that would have to be reinvented.

■ *James Morgan is economics correspondent of the BBC World Service.*

All in the Mind

Dream of new skills

Could you learn to ride a bicycle in your sleep? Sleep-learning might seem an impossible dream but experiments this year show that the way you sleep and dream are closely related to your effectiveness in learning new things.

A group of Israeli scientists, led by Avi Karni and Dov Sagi of the Weizmann Institute in Rehovot, measured the time a person took to discriminate the shape of a patch of stripes embedded in a pattern flashed on a computer screen.

This task, like bicycle riding, can be learnt. It depends on what theorists call implicit knowledge, or skill, rather than explicit knowledge, such as remembering a person's name or a shopping list. It is not easy – rather like trying to read a striped speedometer needle that appears for a fraction of a second in a striped dashboard while your gaze is fixed on the fuel gauge. But three features make the task a breakthrough for research on learning.

It is easy to measure how well people do and how they improve with practice. This sort of learning is also very specific: if the angle of the stripes, or their position is changed, the task must be learnt anew. Finally, learning is very robust: it lasts for years.

Last year, Karni and Sagi showed that speed improved, not during a practice session, but during the eight hours afterwards while the subjects were doing other things. This made it possible to study the effects on learning of sleep and its different stages.

Subjects were trained and tested over a period of days, with sessions just after rising, and just before retiring. Exactly the same unconscious learning occurred whether the time between training and testing was spent asleep or awake. However, if sleeping subjects were roused whenever their brainwaves showed that they were dreaming, no learning occurred during the night, although learning resumed the following day. If, instead, subjects were roused when they entered the deepest stage of sleep, slow-wave sleep, they learnt normally during the night. This provides the first clear evidence that brain activity during dreaming sleep promotes learning.

> Most people can read and then repeat a string of seven numbers – but 11 digits are too many

Scientists have long suspected that sleep is related to learning, but experiments which tested knowledge based on remembering, rather than learnt skills, showed only that sleep delays forgetting.

Like most exciting results, the Israeli experiments confirm some old ideas and raise new questions. Brain pathways using the chemical acetylcholine are activated during dreaming sleep and during the waking state. This confirms that acetylcholine is important in forming memory. Karni and Sagi suggest that all our memories may be laid down by the same mechanism.

Different types of learning take place in different parts of the brain. So, patients who suffer damage to a region of the brain called the hippocampus are unable to learn explicit knowledge, such as lists or people's names. Such amnesics can retrieve old memories, but they cannot learn new knowledge, although they can acquire skills.

Amnesics have normal short-term memory. They can remember a string of numbers for hours by rehearsing them continuously, but if they are distracted, they will forget them completely.

To test the size of your own short-term memory read the following string of numbers once, then shut your eyes and repeat them aloud: 4, 4, 5, 2, 7, 1, 4. Most people can manage a seven-digit string, but 11 digits – 0, 5, 4, 8, 1, 3, 1, 1, 4, 6, 2 – are too many, although much longer strings can be stored in long-term memory.

The hippocampus is involved in transferring information from short to long-term memory, but the location of long-term memory is something of a mystery. It cannot be the hippocampus, because amnesics can still recall old memories.

The mechanism of forgetting is also unknown. Scientists are divided on whether memories are ever truly forgotten, or whether they simply become impossible to retrieve.

The new experiments give no support to the idea that we can learn by playing tape recordings while we sleep. According to Professor Jim Horne of the Sleep Research Laboratory at Loughborough University, learning only occurs if the tape recorder wakes you up.

■ *The author is professor of psychology at the University of Nottingham*

Andrew Derrington

هكذا من الاصل